

# THERE'S A LOT MORE TO TEA ...



**McLEOD RUSSEL**  
*Believe in tea*



**2015-16**

ANNUAL REPORT

**McLEOD RUSSEL INDIA LIMITED**

# CONTENTS

01-24

## CORPORATE OVERVIEW

- 02 Corporate Identity
  - 06 Global Presence
  - 08 There's a lot more to tea...
  - 20 Value creation for all
  - 21 Celebrating the diversity of our people
  - 22 Enabling the community
  - 24 Corporate Information
- 

25-69

## STATUTORY REPORTS

- 26 Report of the Directors
  - 34 Management Discussion and Analysis
  - 36 Report on Corporate Governance
- 

70-163

## FINANCIAL STATEMENTS

- 70 Standalone Financials
- 116 Consolidated Financials
- 162 Details of Subsidiaries



“Tea is not a mere commodity for us. It is a heritage based on values and culture full of sentiments and commitments.”

**B M Khaitan**, Chairman

...we uphold the centuries-old heritage of tea in India and the world. Our extensive plantations, meticulous processes, art and science of blending, sustainable environmental practices and community initiatives have enabled us to strengthen our leadership in the tea industry.

Our quality benchmarks are among the best in the world. The journey of our teas from source to sip is monitored with utmost care; so that our beverage can delight millions of people every day across the world.

This Annual Report celebrates the legacy that has stood the test of time; and is renewed every day by our commitment, along with the support and guidance of all our stakeholders.

# LEADERSHIP ACROSS DECADES

At McLeod Russel India Limited (McLeod Russel), we have an interesting story to tell the world.

Our tale dates back to the early nineteenth century, when industry pioneers planted small holdings of tea. These holdings consolidated across decades into value creating businesses. Our legacy is time honoured; yet in step with changing times. In line with evolving customer preferences, we continue to innovate to meet and exceed expectations. We bring a lot of care and attention to produce Crushed, Tear and Curled (CTC) and Orthodox teas, enjoyed by tea lovers globally.

Our plantations straddle continents and connect diverse cultures and people. From our major presence in Assam and the Dooars region of West Bengal in India, we have travelled east to Vietnam and west to Uganda and Rwanda in Africa. These verdant treasures have made us not only the world's largest tea producer in private sector, but an enduring hallmark of quality recognised globally.

We are also the largest Indian tea producer-exporter with strong customer relationships across Asia, Europe, the Middle East and North America. Our marketing and delivery mechanisms are robust and enjoy unparalleled trust of buyers globally.

# OUR MISSION

McLeod Russel India Limited follows the tenets of a good corporate citizen, providing equal opportunity to all employees, in a safe and healthy working environment, ensuring social and economic development to sustain and improve quality of life. It is committed to safeguarding the environment by adopting an eco-friendly, transparent and participatory approach in all activities whilst ensuring that the best quality of tea is produced.

64  
Tea estates

24  
Country presence through exports

67  
Tea manufacturing facilities

1,175  
Lakh Kgs Tea manufactured annually

39,770  
Hectares under tea cultivation globally

90,000  
Employee strength globally

## Our Assets and Capacities



## Credible Certifications

- Food Safety Management System (ISO 22000)
- Fairtrade Certified
- Rainforest Alliance Certified
- Ethical Tea Partnership (ETP)
- Good Manufacturing Process (GMP)

Region	Tea Estates	Factories	Saleable production (Lakh kgs)	Tea Area (in Hectares approx.)
North Bank Estates and Factories	22	23	390	16155
South Bank Estates and Factories	26	25	404	14485
McLeod Russel India Assam Estates and Factories	48	48	794	30640
McLeod Russel India Dooars Estates and Factories	5	5	63	3259
McLeod Russel India Total Estates and Factories	53	53	857	33899
Vietnam Estates and Factories	3	7	87	1693
Uganda Estates and Factories	6	5	184	3462
Rwanda Estates and Factories	2	2	47	716
McLeod Russel Group Total	64	67	1175	39770

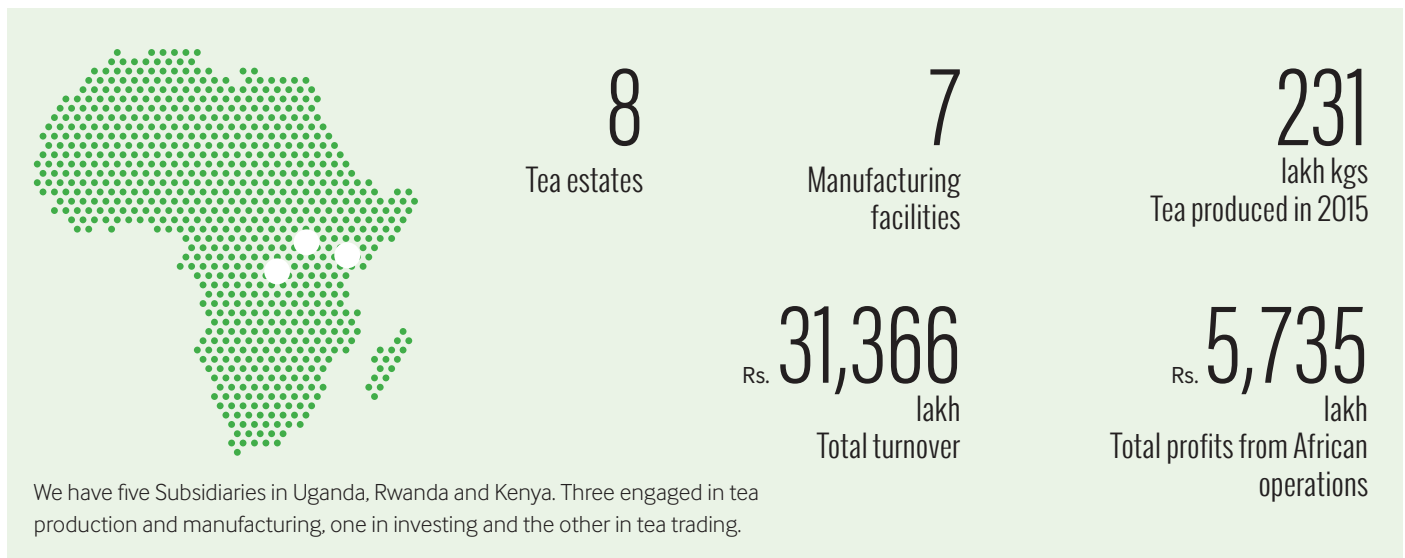
## Organisational Structure



## Equity Share Information

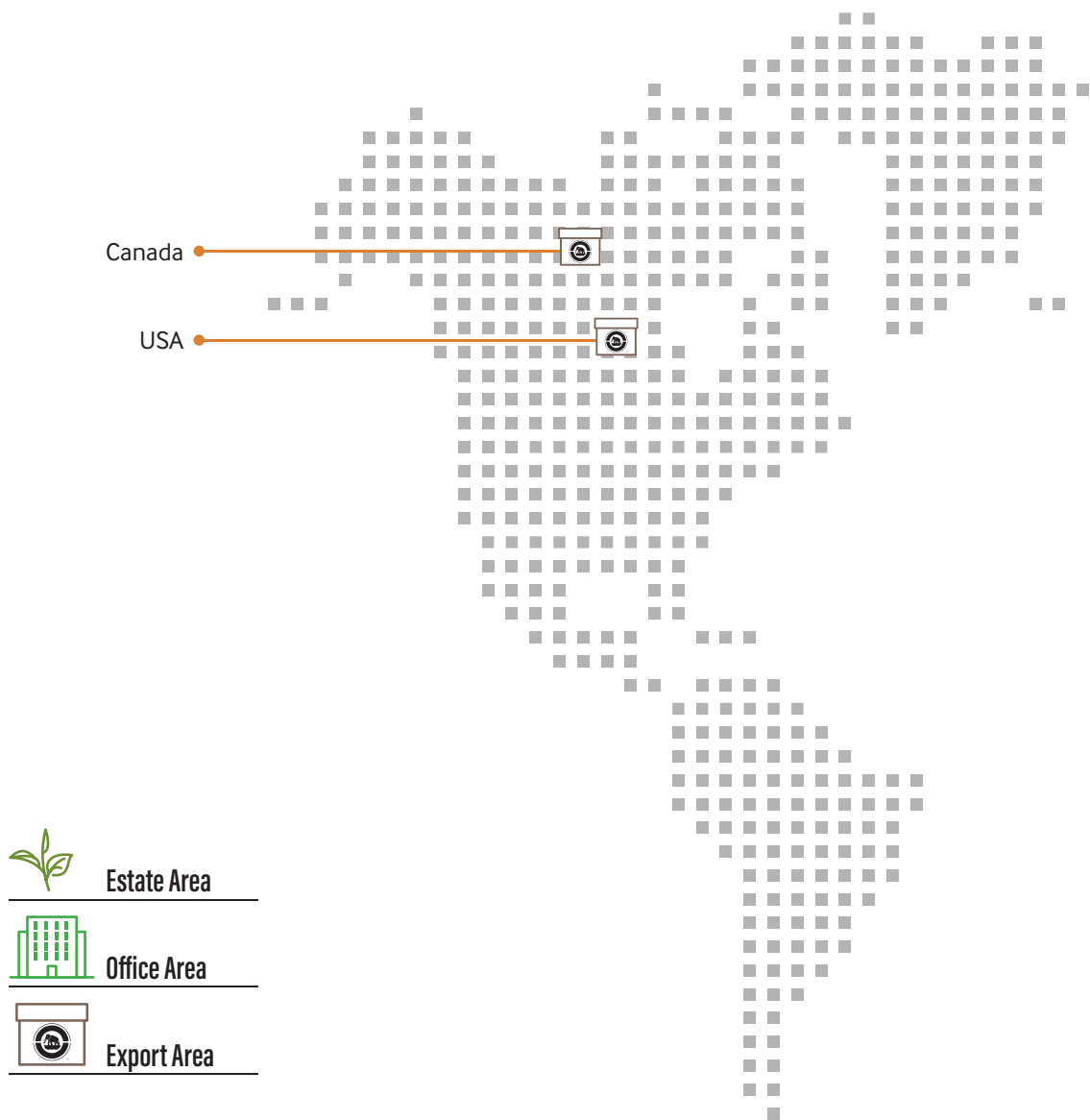
- Share Price (31st March, 2016): Rs. 185.60 per share (BSE)
- Market Capitalisation (31st March, 2016): Rs. 2,031.50 crore
- Bombay Stock Exchange (BSE): 532654
- National Stock Exchange (NSE): MCLEODRUSS
- Proposed a dividend: Rs. 2/- per share (Face value Rs. 5)
- Promoters holding: 49.89%

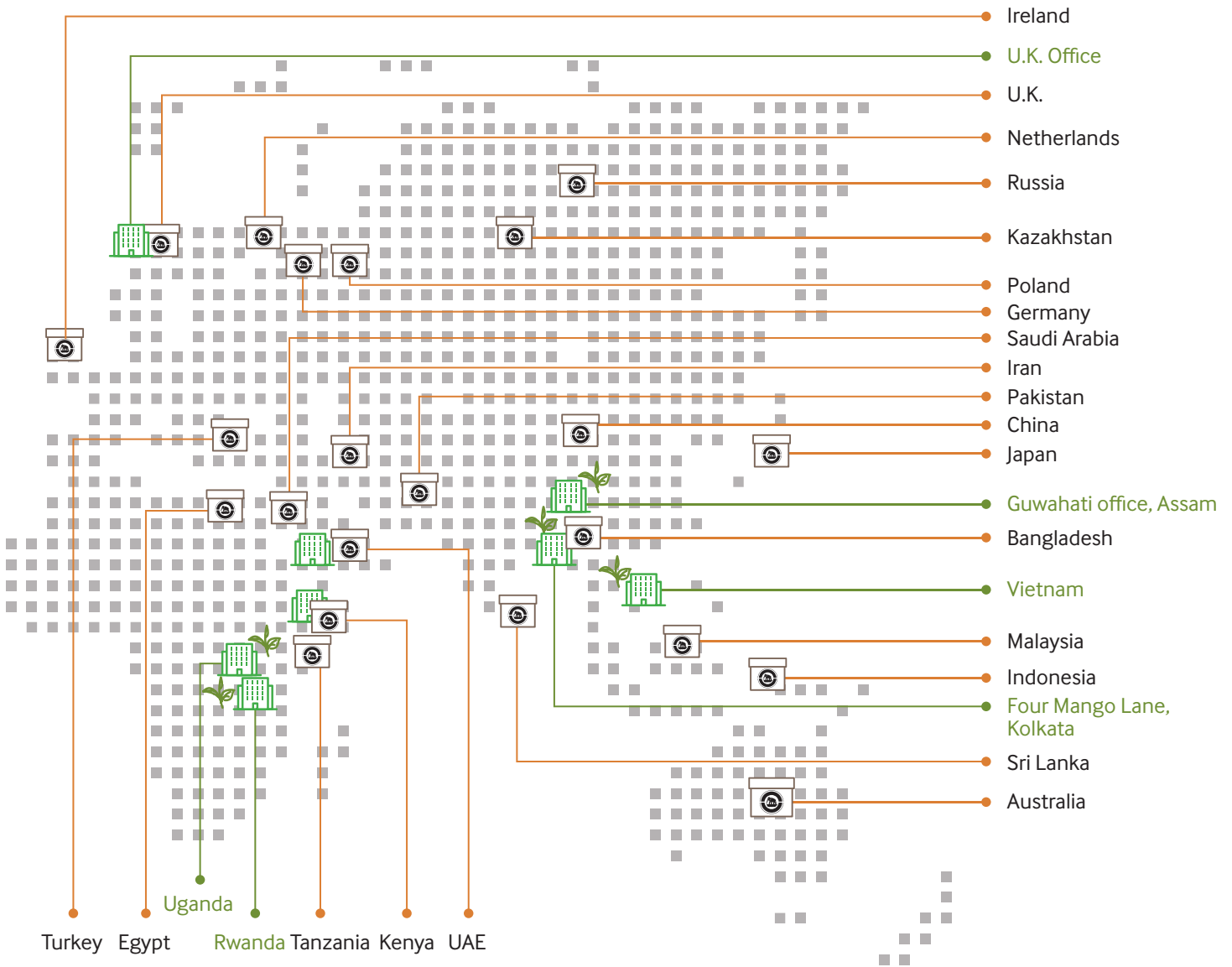
## Africa Prominance



# BRINGING THE GOODNESS OF TEA TO THE WORLD

In the technology-driven digital age, we are connecting with our customers and business partners across the world on a real time basis. At the same time, we are driving operations in different geographies to bring the pristine goodness of nature in the form of finely blended teas.





**From the flush of two leaves and a bud in spring to the close of the season, our focus is to create a perfect symphony between operations in the field and factory.**





# HARNESSING THE TREASURE OF PLANTATIONS

Our plantations present an enormous canvas of green, stretching across Asia and Africa. Each tea estate has a specific characteristic and flavour. The estates across geographies are interspersed with hills, rivulets, flora and fauna that provide a perfect backdrop to the vast plantations. We cherish the bounty of nature that enriches the tea we make.





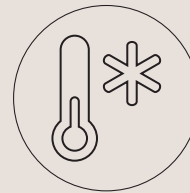
## RIGHT SPECIES



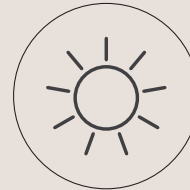
The tea plant *Camellia spp.* is evergreen in nature. We cultivate three varieties - namely, *Camellia sinensis var. sinensis* (Chinese variety), *Camellia sinensis var. assamicum* (Assam variety) and *Camellia sinensis var. cambodensis* (Cambod variety).



## IDEAL CONDITIONS TO NURTURE TEA PLANTS



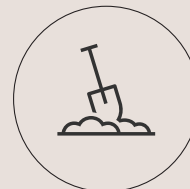
TEMPERATURE BETWEEN  
25°C TO 37°C



EFFECTIVE DAYLIGHT OF  
11.5 HOURS.



PRECIPITATION SPREAD  
EVENLY ACROSS THE YEAR  
OF AT LEAST 1,600 MM.



DEEP NUTRIENT-RICH  
LOOSE SOIL THAT IS  
MOISTURE RETENTIVE,  
BUT NOT WATERLOGGED.

AN OPTIMUM RANGE OF  
SOIL PH, BETWEEN 4.5  
AND 5.5.

### Nursery

The journey starts at our nurseries. It takes 12-18 months to raise a ready plant from tea seeds / cuttings. We take cuttings from selected 'mother' bushes and raise those in dedicated nursery beds. These young tea plants are carefully nurtured from cuttings to small healthy plants. Meticulous selection from clonal varieties allows each estate to ensure that these young tea plants are most suited to micro-conditions that exist in gardens; so that only the best quality of tea emerges.

### Land preparation

Before planting the young tea saplings, the planting area requires careful inspection and preparation. This is ensured by our specialised team. Such a practice gives our plants the best possible beginning and a longer life.

### Bush husbandry

It takes around three years for a plantation section to be ready for plucking. To ensure that every young plant achieves its optimum



shape and size, regular pruning and bush husbandry is required. These practices gently prepare the plant's frame.

The mature plant is pruned in a 3-4-year cycle; the best time for that is December once the main growing period is over; and the bushes have been given time to build-up starch reserves. These starch reserves play an important part in the bush's ability to sprout new growth (in congenial weather conditions) in the early part of the following year.

### Sustainable agricultural practices

We were the first Indian tea company to initiate a long-term uprooting and replanting programme since the early 1990s. Through careful planning and management, we have maintained for over decades our industry leadership in yields and standards.

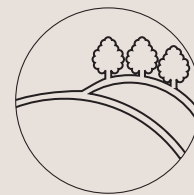
To optimise output (yield) the age of the bush is a critical factor. Every year, we uproot and replant a significant percentage of our plantation. This helps in maintenance of significant proportion of young productive and healthy bush profile.

### Irrigation Facilities

In the last few years, we have invested substantially on irrigation practices, enabling us to ensure least plant mortality during droughts. Today, over 53% of our plantations enjoy irrigation facilities. We have also implemented good agricultural practices like integrated pest management, soil management and nutrient management. We are shifting to bio-pesticides generated in our estates.

Due to climatic conditions in the North-East India, heavy rainfall happens, especially during the monsoon. To ensure that the fields are not flooded, 'drainage' ditches are dug into each section of the plantation to channelise the excess water out of the fields. These ditches also ensure that as little top soil as possible is swept into the tributaries; and hence reduce the silting of the region.

## 2-3 QUINTALS



OUR YIELDS ARE NORMALLY 2-3 QUINTALS HIGHER VIS-À-VIS INDUSTRY AVERAGE.

# REFINING EACH STEP WITH METICULOUS CARE

Starting from harvesting, withering, rolling / cutting to fermentation, drying, sorting, grading to storage and finally packing, our to-do list is long and ambitious. To bring that perfect taste and aroma that creates those magical moments for the connoisseur, the creative and the conversationalist.



## HARVESTING (PLUCKING)



Fresh young shoots are carefully plucked off the top-most hamper of the tea bushes. It is these young shoots that hold the key to quality; so we ensure highest level of care and supervision. We follow a weekly plucking with the aim to pluck over 36 rounds a year. In each round, we ensure we have minimum 75% fine leaves.

Precision in plucking is very important; and that comes with consistent training and on-job practice. We conduct regular workshops to impart training on best-in-class plucking techniques. We incentivise pluckers to achieve higher productivity with better quality.

We maintain a stringent quality-control mechanism, which makes certain that only the very best plucked leaves enter our factories. Our quality benchmarks ensure that only the highest quality of tea is manufactured.

## WITHERING



The plucked leaves arrive at our factories and are spread evenly in the withering troughs. We have large enclosed troughs where the leaves are spread evenly. We use fans that blow hot and cold air through leaves, reducing the moisture content by 28-32% (chemical wither) through a 14-to-16-hour process. We can control the air, based on the thickness of the leaves.

We were one of the first tea companies to introduce the Continuous Withering Machine (CWM), which ensures perfect withering while reducing costs at the same time.

## PROCESSING

95%+

OVER 95% OF OUR  
TEA GOES THROUGH  
THE CTC PROCESS.



The withered leaf is either Rolled or Rotorvaned prior to Orthodox or CTC processing (i.e. preconditioning of the withered leaf). The CTC rotorvane process lasts for about five-seven minutes. The Orthodox roll process lasts about 30 minutes. After the initial processing, the withered leaf is subjected to the full CTC or Orthodox process.

## FERMENTATION



This is the oxidation process for both the CTC and Orthodox 'maal'; and lasts between 70 and 180 minutes, depending on the colour and aroma of the fermented leaf. This is the process of exposing the tea leaves to atmospheric oxygen under controlled conditions of humidity and light.

It is at this point that the green 'maal' turns coppery red or rust colour. Our factories use various types of fermentation processes such as 'Gumlah' fermentation, Floor fermentation and the Continuous Fermentation Machine.

## DRYING



### DID YOU KNOW?

WE INVENTED VIBRO FLUID BED DRYER (VFBD) FOR TEA DRYING. TODAY, THIS IS A STANDARD PRACTICE NEARLY FOR EVERY TEA COMPANY.

To stop the process of fermentation and to displace moisture, the fermented 'maal' is fed into driers in a regular manner; and is subjected to temperatures ranging between 121°C and 127°C, with controlled throughput time of 22 minutes to 25 minutes.

All the fermented CTC tea is dried in Vibro Fluidised Bed Dryers (VFBDs). Orthodox tea is dried using conventional driers that convey the leaf on slow-moving, perforated trays through the drying chamber, thus preserving the natural bloom, liquor and taste of the tea.

## SORTING, GRADING AND STORAGE



After drying, the tea is sorted into various grades and sizes by an automatic sorting machine. The Trinick Sorter was invented and patented by John Trinick, one of the pioneers in tea manufacturing; he was also our advisor. This machine sorts tea with least damage and wastage.

CTC teas are also passed through fibre extractors to remove excessive fibre; and the sorting produces primary and secondary grades. Primary grades comprise 85-90% of the product line; the remainder is the secondary produce.

Following the sorting process, a grade of tea is bulked together and stored in dehumidified bins to prevent moisture ingress.

## PACKING



We use three types of packing:

- Paper sack
- Polypropylene bags
- Vacuum pack

The tea is then carefully measured and funnelled into large Kraft Paper sacks and Polypropylene bags, sealed and gently placed on wood pallets. Through containerisation, ten layers of two sacks (20 sacks or 40 half sacks) can be stacked on each pallet. We introduced a revolutionary new concept of vacuum packaging that guaranteed storage of tea in as fresh a condition as possible. Bespoke machinery and packaging material allows for our tea to be safely stored for much longer periods than three years for blenders. The freshness remains intact inside. This type of packaging is primarily used for exports.

To comply with strict European, Japanese, North American and Indian traceability legislation McLeod Russel also identifies each and every individual package with its own unique number as a part of its Best Practice.

## TEA TASTING



### ENSURING FOOD SAFETY

McLEOD RUSSEL INDIA LIMITED WILL ENSURE THAT ITS BUYERS AND CONSUMERS BE PROVIDED WITH TEA THAT IS SAFE FOR CONSUMPTION. IN DOING SO, WILL ELIMINATE/REDUCE TO ACCEPTABLE LEVELS ALL POSSIBLE FOOD SAFETY HAZARDS, ALONG WITH RELEVANT UPGRADATIONS IN ITS PROCESSES. THE PRODUCT WILL CONFORM TO STATUTORY, REGULATORY AND CUSTOMER REQUIREMENTS AND THE COMPANY WILL ENSURE EFFECTIVE COMMUNICATION TO ALL ITS STAKEHOLDERS.

We have tea tasting units (Quality Control Department) at the vicinity of our manufacturing units. Each and every lot of our tea is tasted by our professional tea tasters. This meticulousness ensures quality compliance. If necessary remedial actions are taken before our tea reaches our customers.

# CRAFTING UNFORGETTABLE BLENDS

We have the facility and the decades-rich knowhow to create unique blends for our discerning global customers. We continuously innovate to create refreshing experiences for tea lovers around the world.



We have two world-class blending units at Nilpur in Assam, India and Dubai.

## Nilpur, Assam (India)

Our modern blending facility at Nilpur, Assam (India) provides bespoke blending services to our customers. The facility has a capacity to blend 40 tonnes of tea every day, operating two bulk blending lines that can blend both Orthodox and CTC tea varieties. The facility can process unique blends for our Western European, Asian, Middle Eastern and North American customers.

Moreover, a comprehensive quality control programme helps ensure that blend standards are matched to the exacting level demanded by our customers. Our global customers have found this specialised blending service to be of immense value, allowing them to maintain flexibility and competitive edge in their own markets.

## Dubai Blending Unit

Our operations at the Dubai Tea Trading Centre (DTTC) provides our customers with bespoke blends, in the Jebel Ali Free Zone. Dubai has emerged as a major business hub; and is also a growing centre for tea trade due to its proximity to tea growing areas as well as tea consuming regions.

### Core capacities

- **Tea bag packing:** Temperature controlled tea bag packaging facility has the capacity to pack a variety of tea bags, including both paper envelopes and service types.
- **Loose Tea packing:** Packing from 50 grams to one kg of tea on vertical form fill seal machines, for both CTC as well as Orthodox teas.
- **Blending:** Two tonne blending system that can carry out blends of both CTC and Orthodox teas.
- **Storage:** Storage facility has a capacity to store up to 5,000 metric tonnes of bulk tea with all stocks being palletised and stored within racks.

# VALUE CREATION FOR ALL

**Overarching objective:** reinforce our leadership in the global tea industry by consistently manufacturing high-quality tea.

## FORWARD-LOOKING INITIATIVES



### Good agricultural practices

- Selective clonal policy developed through years of cutting-edge R&D initiatives
- Strict maintenance of plucking rounds
- Production of quality raw material
- Competent green leaf handling and transport capabilities
- Regular uprooting and replanting
- Productive age profile of plantations
- Rainforest Alliance certified



### Social commitments

- Extension of healthcare facilities / services to surrounding communities
- Creation of educational institutions
- Promotion and recognition of literary/ scholastic pursuits
- Economic empowerment of local communities
- Vocational training for neighbouring communities
- Arrangement of safe drinking water for neighbouring communities
- Projects for enhancement of livelihood
- Manufacturing policy formulated by the legendary John Trinick (renowned tea technologist)



### Good manufacturing practices

- Robust manufacturing initiatives
- Capacity geared for peak crop processing
- Factories have globally benchmarked certifications
- Factories standardised as per global norms
- Complete compliance with product safety, traceability and product recall
- Adoption of best practices and standardisation through well documented operation manuals



### Progressive HR policies

- Healthy and safe work environment
- Minimal employee attrition
- Leadership and personnel development, including a well-defined succession plan
- Internal growth of human resources (minimal external recruitment in the middle and senior levels)
- Training, best practices and information sharing through exposure visits to global plantations
- Transparent reward and recognition policy
- Business plan through effective discussions
- Targets (commercial and personal development) covered by KPIs (Key Performance Indicators)
- Mid-term target review to encourage ethical and transparent behaviour
- Transparent performance evaluation



### Sustainable production

- Soil conservation and management
- Water conservation with an emphasis on rainwater harvesting
- Integrated pest and weed management
- Afforestation and preservation of natural habitat
- Prudent energy conservation
- Waste management and disposal

## Competitive advantages

Rich Experience

Robust Processes

Locational Edge

Focus On Quality

Global Reach

# CELEBRATING THE DIVERSITY OF OUR PEOPLE

Our teas are grown in multiple plantations across geographies, at differing altitudes and varying climatic conditions. Our blending centres and offices are also located in different parts of the world. The natural consequence is a diverse workforce, which brings on board varied experiences and skillsets.



We believe diversity brings new perspectives and ways of solving challenges. We respect the tenet of unity in diversity, and help instil a culture of collaboration, engagement and achievement.

We provide various facilities for employees, complying with the Plantation Labour Act.

- Free housing
- Free medical facilities
- Retirement benefits
- Children's education
- Recreational facilities

## For women employees

Over 60% of our plantation employee strength is woman. We ensure a safe working environment for women and provide healthcare as well as comprehensive maternity benefits.

We provide crèche facilities at our plantation sites for working mothers. Crèches are supervised and provided necessities like food, healthcare and toys. There are three types of crèches 1) central crèche house, which is close to factories, 2) satellite crèche houses

at the worksite and 3) mobile crèche houses, a big house on wheels, which has basic amenities.

We have also nurtured and promoted women employees to take greater responsibilities in the organisation.

We promote Mother's Clubs, a women's forum, which encourages good social practices in the region at all our estates.

## Safety first

We provide safety equipment, protective clothing and congenial working conditions, ensuring enhanced safety at work.

## Training culture

We have an effective training mechanism for our plantation and factory workers, which include regular, specialised and on the job trainings.

## Employability

We generally employ the family members of our existing employees, so that they may continue to live on the estate.

# ENABLING THE COMMUNITY

Our business is closely aligned to environment conservation and community uplift. We focus on education, employment, health and welfare of communities where we operate.



## HEALTH AND WELFARE

### Central hospitals

At McLeod Russel, we have four central hospitals at Phulbari, Paneery, Dirial and Beesakopie, equipped with specialist doctors, sophisticated equipment and robust infrastructure. Our individual estates function as a community, each having adequate medical facilities and well-trained personnel. Central hospitals take charge of the wellbeing of a group of estates within a district. These central hospitals offer quality medical care through expert attention of resident and visiting specialists and advanced medical facilities.

### Free eye clinic

This is a first-of-its-kind initiative in Assam, which aims to screen and identify patients suffering from various eye diseases, particularly cataracts. The entire cost of treatment, including operation, medication, and other hospital expenses is provided by the Company. Throughout the year, hundreds of people from our estates and surrounding areas have been treated at these camps.

## COMMUNITY WELFARE

We provide various livelihood programmes around our operating areas to ensure the wellbeing of communities.

We aim to promote traditional weaving skills of the local ethnic community. At present, around 100 workers are registered with the scheme, and their fabric and products are marketed to uptown locales. This initiative enables women to earn their livelihood by working at their looms in their villages.

Cotton yarn is procured at wholesale rates and distributed to weavers free of cost. A project coordinator provides guidance in design and ensures consistency in quality. Products range from bed and table linen to bright coloured rugs and fabric for clothing. These products have gained immense popularity at exhibitions and trade fairs around the country.

This scheme has helped improve the socio-economic condition of the local populace, primarily women.



**Livelihood opportunities:** We offer opportunities to local communities by providing them with proper infrastructure for employment.

**Small Tea growers:** We provide infrastructural support to small tea growers in Assam in and around our tea estates. We buy leaves from them, which in turn has helped change the socio-economic condition of these tea growers.

## ENVIRONMENT

In addition to tea plants, we plant various other trees in our estates. We nurture water bodies and replenish ground water resources

as a standard practice. Besides, we have undertaken afforestation programmes to protect the ecosystem; and we also focus on the conservation of wild life. Moreover, we encourage the use of renewable energy to promote environment-friendly practices at our plants.

## EDUCATION

We believe education is the pathway towards empowerment at the grassroots. We offer scholarships to students with proven abilities to pursue higher education in premier institutions across India.



## RECOGNISING LITERARY EXCELLENCE

THE COMPANY IN ASSOCIATION WITH WILLIAMSON MAGOR EDUCATION TRUST ACKNOWLEDGES DISTINGUISHED CONTRIBUTION IN THE LITERARY ARENA. SHRI APURBA SARMA, A RENOWNED ASSAMESE POET WAS CONFERRED WITH ASSAM VALLEY LITERARY AWARD FOR THE YEAR 2015.

# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

Mr. Brij Mohan Khaitan  
*Chairman*

Mr. Aditya Khaitan  
*Vice-Chairman & Managing Director*

Mr. Amritanshu Khaitan  
Dr. Raghavachari Srinivasan  
Mr. Bharat Bajoria  
Mr. Ranabir Sen  
Mr. Utsav Parekh  
Mrs. Ramni Nirula  
Mr. Padam Kumar Khaitan

### *Wholesale Directors*

Mr. Rajeev Takru  
Mr. Azam Monem  
Mr. Kamal Kishore Baheti

## **COMPANY SECRETARY**

Mr. Amitabha Guha Sarkar

## **BOARD COMMITTEES**

### **Audit Committee**

Dr. Raghavachari Srinivasan  
Mr. Aditya Khaitan  
Mr. Bharat Bajoria  
Mr. Ranabir Sen

### **Nomination & Remuneration Committee**

Mr. Bharat Bajoria  
Dr. Raghavachari Srinivasan  
Mr. Ranabir Sen

## **Stakeholders' Relationship Committee**

Mr. Ranabir Sen  
Mr. Bharat Bajoria  
Mr. Utsav Parekh

## **Corporate Social Responsibility Committee**

Mr. Rajeev Takru  
Mr. Azam Monem  
Mr. Kamal Kishore Baheti  
Mr. Ranabir Sen

## **AUDITORS**

Price Waterhouse  
Plot No. Y-14, Block EP, Sector-V  
Salt Lake Electronic Complex  
Bidhan Nagar, Kolkata – 700091

## **SOLICITORS**

Khaitan & Co. LLP

## **REGISTERED OFFICE**

Four Mangoe Lane  
Surendra Mohan Ghosh Sarani  
Kolkata – 700001  
Corporate Identity Number  
(CIN) : L51109WB1998PLC087076  
Phone: (033) 2210-1221/2243-5391/  
2248-9434/35  
Fax: (033) 2248-8114 / 2248-3683 /  
2248-6265  
Email: administrator@mcleodrussel.com  
Website: www.mcleodrussel.com

## **BANKERS**

Allahabad Bank  
Axis Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
State Bank of India  
State Bank of Bikaner and Jaipur  
UCO Bank  
United Bank of India  
Yes Bank Limited

## **REGISTRAR**

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor  
Surendra Mohan Ghosh Sarani  
Kolkata – 700001  
Tel: (033) 2243-5809/2243-5029  
Fax: (033) 2248-4787  
E-Mail: mdpldc@yahoo.com

Disclaimer: With a view to enabling the Members of the Company to understand the Company better, certain information has been provided in page nos. 1 to 23 of this Annual Report, which is not purported to be a part of any statutory disclosure. The estimates mentioned and assumptions made therein and the particulars relating to the market and the industry contained therein have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured.

25-69  
**STATUTORY  
REPORTS**

**26** Report of the Directors  
**34** Management Discussion and Analysis  
**36** Report on Corporate Governance

---

70-163  
**FINANCIAL  
STATEMENTS**

**70** Standalone Financials  
**116** Consolidated Financials  
**162** Details of Subsidiaries

# REPORT OF THE DIRECTORS

for the year ended 31st March, 2016.

Your Directors have pleasure in presenting the Eighteenth Annual Report with the Audited Financial Statements of your Company, for the financial year ended 31st March 2016.

## REVIEW OF PERFORMANCE

The financial results of the Company for the year ended 31st March 2016 are summarized below:

	Rs. in Lakhs	
	2015-16	2014-15
Revenue from Operations	150679	138830
Other Income	9640	5397
Total Revenue	160319	144227
Profit before Finance Costs, Depreciation, Exceptional Items and Taxation	17805	18013
Less : Finance Costs	10151	6609
Less : Depreciation and Amortisation Expenses	6066	6027
Profit before Exceptional Items and Tax	1588	5377
Less : Exceptional Items	115	59
Profit before Tax	1473	5318
Tax Expense :		
Current tax	753	453
Deferred tax - Charge/(Credit)	(737)	(1333)
Profit for the year	1457	6198
Balance brought forward from previous year	16235	14801
Balance available for appropriations	17692	20999
Proposed Dividend	2189	3284
Tax on proposed Dividend	446	668
Tax on proposed Dividend relating to earlier year written back	(111)	(188)
Transfer to General Reserve	-	1000
Balance Carried Forward	15168	16235

During the year under review, the production of saleable tea was higher by around 7%. The profit however was under pressure primarily on account of substantial increase in salaries and wages in terms of industry wide agreements with the workers' and employees' unions. The costs further increased on account of rise in prices of various other inputs. On the other hand, sale price increase on an average was only marginal due to oversupply from the other tea producing countries in the last quarter which impacted realisations. The average price for the Company's tea for the year was Rs.173.97 per kg as compared to Rs.172.38 per kg realized in the earlier year. The marginal increase in sale price was not enough to offset the increase in costs.

## DIVIDEND

Your Directors have recommended a dividend of Rs.2/- per equity share being 40 % on 109455735 fully paid up equity shares of Rs. 5/- each, for the year ended 31st March 2016 for your approval.

## REVIEW OF OPERATIONS

During the Financial year under review, your Company had saleable production of 857 Lakh Kgs tea as compared to 801 Lakh Kgs in the previous year. The Company could have achieved better production but for inclement weather which played a spoilsport, especially during the early part of the year. After a prolonged dry spell, rainfall was received in late April. Thereafter, unprecedented heavy rainfall continued till end June, resulting in drop in temperatures and excessive wet conditions which are not entirely conducive to good leaf growth. Heavy rainfall continued over July and August causing flooding and water-logging on many estates. Weather conditions changed completely from September onwards, when it turned dry, resulting in a decline in harvests during a period which is otherwise high cropping. Though the total rainfall for the year was marginally higher than the previous year, uneven distribution impeded good flushing and adversely affected harvests. Fortunately, favorable weather from November onwards and over the winter with moderate to heavy precipitation helped to sustain the tea bushes and cropping was good over the

early part of the season 2016. Pest activity was a matter of concern in most districts of Assam and Dooars. All estates are now strictly following the Tea Boards "Plant Protection Code" with a restricted choice of chemicals for effective pest management. Efforts to control pest infestation were largely successful.

The Uprooting and Replanting Policy of your Company continued to remain an area of focus and has further increased the percentage of tea under fifty years which is approximately 75% of the total area. All tea estates established good Clonal Tea nurseries with requisite, approved Clonal Blends. Afforestation programs to create improved micro-climates were also enhanced. With the growing trend of migration of workers from the estates and the resulting shortage of hands to work on the estates, your company has taken initiatives to mechanize some field operations, namely introduction of Plucking Machines, Plucking Shears and Pruning Machines. Earth Movers and Excavators are also being extensively used. Considerable work on upgrading of existing irrigation equipment has been undertaken and additional sets provided. Most estates are now adequately equipped and more projects will continue over the next few years as irrigation has now become critical with changing weather patterns and prolonged dry winters. During the year the Company has incurred capital expenditure to the tune of Rs. 9738 lakhs the benefits of which will be derived in the years to come.

Your Company's focus to produce Quality teas was given further impetus and our teas continued to command a premium both in the domestic and international market. Modernization and upgradation programs for our manufacturing units have remained an area of priority to improve the process of tea manufacture and produce better quality teas. Continued introduction of energy efficient machinery and infrastructure is your Company's priority and useful steps were taken in this direction.

The Company has forty seven ISO 22000 certified Factories. Your Company also has four estates certified under "Fairtrade" and forty five estates certified under "Rainforest Alliance." The Nilpur Blending Unit is a HACCP Certified unit. Your Company also participates in Ethical Tea Partnership, a global initiative.

The Company saw a total export quantum of 188.57 lakh Kgs during the year with an overall turnover of over Rs. 40529 lakhs. Favourable feedback was received from the buyers both in terms of quality and deliveries.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirements of Regulation 34(2)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a Management Discussion and Analysis Report is attached as Annexure - I forming part of this Report.

### REPORT ON CORPORATE GOVERNANCE

In terms of requirements of Regulation 34(3) of the Listing Regulations, a Report on Corporate Governance together with the Auditors' Certificate regarding Compliance of Conditions of Corporate Governance are attached as Annexure II and Annexure III respectively, forming part of this Report.

The disclosure in terms of item (iv) of sub clause (iv) of second proviso of clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013 has been provided in the Report on Corporate Governance attached to this Report.

### SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has one wholly owned subsidiary namely, Borelli Tea Holdings Limited, U.K. (Borelli) and seven step down Subsidiaries. Borelli is inter alia engaged in the business of investing funds in various Companies engaged in tea production, blending, marketing and investment activities. As at the end of the year on 31st March 2016 Borelli had the following Subsidiaries in different countries:-

- (i) Phu Ben Tea Company Limited, Vietnam –controlling stake of Borelli being 100%
- (ii) Rwenzori Tea Investments Limited, Uganda – controlling stake of Borelli being 100%
- (iii) McLeod Russel Uganda Limited – 100% subsidiary of Rwenzori
- (iv) Gisovu Tea Company Limited, Rwanda – controlling stake of Borelli being 60%
- (v) McLeod Russel Middle East DMCC – controlling stake of Borelli being 100%
- (vi) McLeod Russel Africa Limited, Kenya – controlling Stake of Borelli being 100%
- (vii) Pfunda Tea Company Limited, Rwanda – controlling stake of Borelli being 90%

The performances of the major Subsidiaries are summarised below for your information.

As required under Section 129(3) of the Companies Act, 2013 and Regulations 33 and 34(2)(b) of the Listing Regulations, Consolidated Financial Statements of the Company, its eight Subsidiaries and one Associate Company namely, D1 Williamson Magor Bio Fuel Limited prepared in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India are appended in the Annual Report.

A statement containing the salient features of the financial statements of the Company's eight Subsidiaries and the Associate Company pursuant to the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 prepared in Form AOC-1 is attached to the financial statements of the Company for your information.

The Company has formulated a Policy for determining "Material Subsidiary" and the same is disclosed on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/pdf/material.pdf>

### **BORELLI TEA HOLDINGS LIMITED**

Borelli Tea Holdings Limited ('Borelli') has invested in its subsidiaries in Vietnam, Uganda, Rwanda, Dubai and Kenya. During the year under review, Borelli earned a profit after tax equivalent to Indian Rs. 2094 lakhs and its Board of Directors has recommended payment of dividend at the rate of 150% on its equity capital entirely held by your Company.

### **PHU BEN TEA COMPANY LIMITED**

The year 2015 was a difficult year for Phu Ben Tea Company Limited. The Company produced 86.64 lakh kgs of tea during the year as compared to 71.39 lakh kgs in the earlier year. The tea market in 2015 continued to be depressed and a surplus in the world market suppressed prices in spite of the good standard of teas produced. Sales in 2015 concluded at 100.21 lakh kgs compared to 55.15 lakh kgs for 2014 which was encouraging, considering the circumstances. The average selling price was USD 1.43 per kg as compared to USD 1.63 per kg realised in the earlier year. During the year the Company has incurred a loss equivalent to Indian Rs. 2033 lakhs on a Sales Turnover of Rs. 9447 lakhs.

The newly acquired 'Tai Trung' and 'Ngoc Hai' factories were upgraded and produced a good standard of Green and Black Orthodox teas respectively. The CTC teas produced in the other factories were of a much improved standard and efforts on the front of EU compliance have increased the demand for our teas. All Phu Ben estates and factories including Tai Trung and Ngoc Hai are accredited ISO 9000: 2008 and ISO 22000: 2005, GMP & Halal certified. Phu Tho, Ha Hoa and Doan Hung estates are Rainforest Alliance certified. Five factories, including Phu Tho, Ha Hoa, Doan Hung, Van Linh and Khanh Hoa are also Rainforest Alliance Chain of Custody certified.

Weather conditions saw a change from the usual patterns, with late rains and very hot and dry weather during the season. Cropping consequently changed in spite of which the year's production estimates were achieved.

The Company celebrated its "20 Years Establishment Anniversary" on 26th November and was also recognized with the following awards:

1. Enterprise for Farmers 2015 which is a Vietnamese Central Government recognition.
2. Gold Medal for Best Jasmine Green Tea in the North American Tea Competition.
3. Hung Vuong Memorial Medal, a prestigious award from the Phu Tho Province where the company's operations are located.

### **McLEOD RUSSEL UGANDA LIMITED**

The year 2015 was a favourable year for McLeod Russel Uganda Limited (MRUL). During the said year the Company earned a post-tax profit equivalent to Indian Rs. 2994 lakhs as compared to Rs. 457 lakhs earned in the earlier year. Although the selling price remained almost static at USD 1.56 per kg, the Company effected a significant reduction in cost and thereby increasing the profitability. The Company's turn-over for the year 2015 was equivalent to Indian Rs. 18027 lakhs compared to Rs. 14604 lakhs in the previous year.

Weather conditions during the first half of the year were not entirely conducive to good cropping due to dry conditions. However, during the second half of the year, conditions improved and our estates produced a total crop of 184.10 lakh kgs of tea by the year end, which is an all-time record. Intake of out-growers' leaf has also increased to a record of 57.27 lakh kgs with the aim of utilizing full factory capacities. A healthy yield of 3841 kgs per hectare was achieved from our own plantations.

Several initiatives were taken on the field to enhance the quality of leaf plucked and results were encouraging. An additional 45 hectares of tea was planted out at Mwenge, Kisaru and Bugambe estates (18.5, 20 & 6.5 hectares, respectively). Furthermore, 54.8 hectares of eucalyptus was planted at Kisaru and Kiko in the newly purchased land, 9.3 hectares at Bugambe and 5.5 hectares at Mwenge.

Production in the Company's factories increased by 176 tons as a result of increased intake of out-growers' leaf. A good quality of teas was produced in all the factories and was well received by the market in spite of a decline in demands. Initiatives were taken to run the factories more efficiently and cost effectively, namely in fuel consumption and effective use of manpower, resulting in a saving in production costs. Direct sales of our teas increased by 41% over 2014 and several buyers have shown a renewed interest in our teas.

Internal and external audits for Rainforest Alliance, Food Safety Management System and Fairtrade were successfully carried out. The Rainforest Alliance Certification for out growers was also obtained. More farmers at Muzizi and Ankole were added under this certification.

Good industrial relations were maintained with all categories of workers and staff. New initiatives have been taken on welfare works, both within the estate and in local areas adjacent to the estates, namely support to the Good Shepard School for children with special needs, reconstruction of Primary School adjacent to Kisaru, support on briquette making to the New Nature Foundation. In house, for employee welfare, a Credit and Savings Co-operative was developed and sports and cultural activities received regular support.

### **GISOVU TEA COMPANY LIMITED**

In the year 2015, Gisovu Tea Company Limited turned out a much improved performance compared to the previous year. The production was higher, sales prices improved and cost was reduced during the year resulting in improved profitability. The post-tax profit of the Company for the year was equivalent to Indian Rs. 1412 lakhs compared to Rs. 593 lakhs in the previous year. The Company declared a dividend of Rs. 720 lakhs compared to Rs. 184 lakhs declared in the earlier year.

The Annual Production for the year was 22.4 lakh Kgs compared to 20.30 lakh Kgs made in the earlier year. Gisovu continued to manufacture tea of the highest standard in East Africa. The early part of the year saw a decline in prices for Gisovu teas but picked up considerably from mid-season, mainly due to direct sales. The Average Sales realization for Gisovu Tea Estate was USD 3.51 per kg against the previous year's price of USD 2.95 per kg.

Weather patterns varied with the season and cropping patterns reflected the same. Harvests during the dry months of July and August 2015 were however better as compared to the previous year. This was mainly due to good rainfall received in the preceding months. Harvests dropped again over the period September to November. The early part of the season 2016 saw resurgence in cropping and this is encouraging.

On the field, efforts continue to be made to improve cultivation practices which were lacking mainly in plantations run by the co-operatives. Newly planted fields in the Kabira area are complete and this will contribute further to the crop of Gisovu estate. A new Clonal Nursery has been set up and is producing plants of very good quality.

In the factory, the expansion project to enhance Withering capacity was completed and the estate is now equipped to handle 63000 kgs of green leaf per day. New CTC's and Rotorvanes were installed and this enhancement of machinery has contributed towards the better quality of teas produced. The factory is being equipped to produce Orthodox Teas from season 2016 and installation of new machinery is complete. This will further enhance the quality and value of the teas produced at Gisovu.

Repair and upgradation of infrastructure and staff and workers housing was taken up as an area of priority. Sanitation infrastructure is being constructed with eco-friendly toilets and bathing enclosures and this programme is being carried over into 2016. A new Honey Production Project has been installed on the estate and is progressing well. Good Industrial relations were maintained with all employees.

The Estate is ISO 22000:2005 and Rainforest Alliance certified.

### **McLEOD RUSSEL MIDDLE EAST DMCC**

McLeod Russel Middle East DMCC registered an improved performance in the year 2015 and the Company recorded a profit for the first time. The performance for the year 2015 resulted in a post-tax profit equivalent to Indian Rs. 93 lakhs compared to a loss of Rs. 56 lakhs in 2014. The Company's revenue in 2015 was equivalent to Rs. 2650 lakhs compared to Rs. 1535 lakhs in the previous year. The Company purchased 1452 tonnes of tea in 2015 compared to 969 tonnes in the earlier year. It sold 1554 tonnes of tea compared to 1043 tonnes in the previous year. The company is expected to continue to do well in the future.

### **McLEOD RUSSEL AFRICA LIMITED**

Year 2015 was McLeod Russel Africa Limited's first full year of trading operation after receiving the trading license from Tea Board of Kenya and the Company did well to record a profit in its maiden year of operations. The profit after tax for the year 2015 was equivalent to Indian Rs.36 lakhs compared to a loss of Rs. 98 lakhs in 2014. The Company's revenue for the year 2015 was equivalent to Rs.3438 lakhs. During the year 2015 the Company purchased 1589 tonnes of tea against 50 tonnes for the year 2014. The Company is expected to do well in the years to come.

### **PFUNDA TEA COMPANY LIMITED**

The Pfunda Tea Company Limited completed a year under the management of Borelli Tea Holdings Limited, U.K., The period saw major changes in management practices and development of infrastructure with an aim to enhance the production of teas and improve quality.

The production for 2015 was 24.37 lakh kgs as compared to 23.59 lakh kgs for 2014. This is the highest annual production recorded by Pfunda Tea Estate, which included teas made from increased intake of Out-growers' Leaf. Climatic conditions were generally favourable, especially during the 2nd half of the year and harvests were particularly good during the months of July, August and September. During the year the Company achieved a profit equivalent to Indian Rs. 1293 lakhs compared to Rs.265 lakhs earned in the previous year. The revenue from operations also went up from Indian Rs. 3060 lakhs to Rs. 4736 lakhs in 2015.

The Estate continued with its programme of planting out new areas and an additional 27.28 Hectares was put under new tea plantation in the Rushubi sector. This is in addition to the 235 Hectares planted over the last few years. Large scale infilling of vacant areas was also carried out in the vacant areas of the Muguba, Rushubi and Kigeyo sectors and this will contribute to better cropping for the estate in the years to come. A further 76 Hectares is due to be planted out under the agreement between the Company and COOPT which will be taken up shortly.

In the Factory, new Processing Machinery was installed and the unit now has 4 CTC lines which will reduce manufacturing hours and produce a better quality of teas. A new Continuous Fermenting Machine and Dryer was also installed along with additional Sorting Machinery. The quality of teas produced during the season has improved over the previous years and our teas fetched better prices. Pfunda teas were sold at USD 3.05 per kg as compared to USD 2.27 per kg in the previous year.

Relations with the Staff and workers of the estate was good and considerable development work to improve housing, welfare activities, health & hygiene were undertaken. The Company made considerable contributions towards rehabilitation from the effects of genocide and also undertook river erosion protection works along with other welfare measures in the locality.

The Estate is ISO 22000:2005 and Rainforest Alliance certified.

### **CORPORATE SOCIAL RESPONSIBILITY**

The philosophy of your Company towards fair governance going hand-in hand with social responsibilities is deeply embedded in its day to day working. The Company has, over the years, successfully formulated a methodology aimed towards improving the life of the people and the environment, which surround the units of the Company and thereby enriching the society.

Like earlier years it continued its welfare activities for development in the field of education, culture and other welfare measures to improve the general standard of living in and around the Tea Estates.

After Corporate Social Responsibility became an obligation under the Companies Act, 2013 the Company has taken up several specific projects to comply with the requirements of section 135 of the Companies Act, 2013 and the Rules made thereunder.

The details of the said projects are given in the Annexure IV in the form prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors has formed a CSR Committee and adopted a CSR Policy for the Company which can be accessed at <http://www.mcleodrusssel.com/investors/pdf/csr-policy.pdf>.

The Corporate Social Responsibility Committee of the Board as on 31st March 2016 consisted of 3 Executive Directors, namely, Mr. R. Takru, Mr. A. Monem, Mr. K. K. Baheti and Mr. R. Sen, an Independent Director. Mr. R. Takru is the Chairman of the CSR Committee.

The Company has spent Rs. 435.19 lakhs in the year under review on the CSR projects adopted by the Company representing over 2% of the average net profits of the Company for the last three financial years.

In addition to the above, like the earlier years, the Company was also associated with various other Social Welfare activities which include the following:

- Facilitating Cataract Operation Camps in association with Shankardev Netralaya where good number of patients have undergone successful eye surgeries.
- Supported Moran Blind School like earlier years.
- Associated with Williamson Magor Education Trust in awarding scholarships to deserving students.
- Associated with Williamson Magor Education Trust in awarding the Assam Valley Literary Award which was conferred this year on Shri Apurba Sarma, an eminent figure of the literary world of Assam.
- Involved in preservation of ecosystem and natural habitats.
- Supporting heritage conservation.
- Supporting a recognized institution in Kolkata which addresses the needs of children challenged with cerebral palsy.

### **BUSINESS RESPONSIBILITY REPORT**

Your Company being one of the top five hundred listed entities, Regulation 34(2)(f) of the Listing Regulations has become applicable to it with effect from 1st April 2016. In line of the requirements, the Company has adopted a Business Responsibility Policy and formed a Business Responsibility Committee to oversee and monitor the initiatives taken from an environmental, social and governance perspective some of which are being followed by the Company for quite some time in the past. The implementation of the policy based on the nine prescribed principles, is under process.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 for the year ended 31st March 2016 and state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed with no material departure.
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Since the last Report there has been no change in the Board of Directors. In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. B. M. Khaitan and Mr. A. Monem will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, the Company had five Key Managerial Personnel, being Mr. Aditya Khaitan, Vice-Chairman and Managing Director, Mr. R. Takru, Wholetime Director, Mr. A. Monem, Wholetime Director, Mr. K. K. Baheti, Wholetime Director and CFO and Mr. A. Guha Sarkar, Company Secretary.

The Independent Directors have submitted their disclosures to the Board that they meet the criteria as stipulated in Section 149(6) of the Companies Act, 2013.

The Board met four times during the year on 28th May 2015, 3rd August 2015, 3rd November 2015 and 25th January 2016. The intervening gap between any two Board Meetings was within the period prescribed by the Companies Act, 2013.

The Company has adopted a Familiarization Programme for Independent Directors and the same is disclosed on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/pdf/familiarisation-programme.pdf>.

#### **BOARD EVALUATION**

Pursuant to the Evaluation Framework adopted by the Board, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2015-16. After the evaluation process was complete, the Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro-growth activity and facing challenging operational, climatic and economic adversities during the year. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the Listing Regulations and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the Listing Regulations and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

#### **AUDIT COMMITTEE**

The Audit Committee of the Board as on 31st March 2016 consisted of Dr. R. Srinivasan, Mr. B. Bajoria, Mr. R. Sen and Mr. Aditya Khaitan. Dr. R. Srinivasan, a Non-Executive Independent Director, is the Chairman of the Audit Committee.

The Company has established a Vigil Mechanism / Whistle Blower Policy and oversees through the Audit Committee, the genuine concerns, if any, expressed by the employees and the Directors. The Company has also made provisions for adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Vigil Mechanism / Whistle Blower Policy of the Company has been uploaded on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/pdf/whistle.pdf>.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Board as on 31st March 2016 comprised Mr. B. Bajoria, a Non-Executive Independent Director, as its Chairman and Dr. R. Srinivasan and Mr. R. Sen, Non-Executive Independent Directors as its Members.

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations is attached to this report as Annexure V.

### **LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Notes to the Financial Statements for the year ended 31st March 2016.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The Related Party Transactions entered into by the Company during the year under review were on arm's length basis in the ordinary course of business for mutual benefits. There was no contract, arrangement or transaction with Related Parties which could be considered as material and which may have a potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction Policy and the same is disclosed on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/pdf/related-party-transaction-policy.pdf>.

### **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

### **GOING CONCERN STATUS**

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Financial statements (i.e. Balance Sheet, Profit & Loss Statement and Cash-Flow Statement, together with notes) are prepared through the process which has automated as well as manual controls to ensure accuracy of recording all transactions which have taken place during any accounting period, and the resultant financial position at period end. All data pertaining to payroll, purchases, agricultural activities, plucking, manufacturing, dispatch, selling and other activities are recorded through ERP systems operating in tea estates as well as head office. All data/transactions entered in systems are checked by various functional personnel on the basis of supporting documents & records, then the accounting entries are checked by accounts personnel and finally those are validated by managerial personnel.

At periodic intervals, the accounting data are compiled and financial statements are prepared. While preparing the financial statements, it is ensured that all transactions pertaining to the accounting period are recorded. Fixed assets, stock of tea, all significant items of stores and monetary assets are physically verified. Balance confirmations are obtained for all significant items of trade receivable and advances.

After preparation of the financial statements, all items appearing in the statements are analysed in order to ensure overall reasonableness.

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

### **ANNUAL RETURN**

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as Annexure VI.

### **SECRETARIAL AUDIT**

In terms of the requirements of Section 204 of the Companies Act, 2013, the Secretarial Audit of the Company for the year ended 31st March 2016 was conducted by Messrs. A. K. Labh & Co, Company Secretaries. The Secretarial Auditors' Report is attached to this Report as Annexure VII and forms part of the Directors' Report. There is no qualification or reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report.

### **COST AUDIT**

In accordance with the requirements of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has appointed the following firms of Cost Accountants to conduct audit of Cost Records maintained by the Company for the Tea Plantations of the Company for the year ending 31st March 2017;

- (i) M/s Mani & Company      (ii) M/s SPK Associates
- (iii) M/s Kumar & Associates      (iv) M/s DGM & Associates.

Pursuant to the provisions of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors is required to be ratified by the Members of the Company, a resolution for which will be placed before the Members at the ensuing Annual General Meeting.

### AUDITORS AND AUDIT REPORT

Messrs. Price Waterhouse, Chartered Accountants, hold office as the Auditors of the Company upto the conclusion of the forthcoming Annual General Meeting and are eligible, for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for the appointment.

There is no qualification, reservation or adverse remark made by Messrs. Price Waterhouse, the Statutory Auditors of the Company in their Report pertaining to the year ended 31st March 2016.

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A statement giving details of conservation of energy and technology absorption in accordance with Rule 8 (3), of the Companies (Accounts) Rules, 2014, is attached to this Report as Annexure VIII.

### RISK MANAGEMENT

The Company has adopted and implemented a Risk Management Policy after identifying various risks which the Company encounters with during the course of its business none of which in the opinion of the Board may threaten the very existence of the Company itself. The Company maintains a Risk Register where the particulars of the risks identified are entered. The Company has taken adequate measures to mitigate various risks encountered by the Company.

### PARTICULARS OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other particulars or details of employees pursuant to Section 197(12) of the Companies Act,

2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as Annexure IX.

### EMPLOYEE RELATIONS

The Company's large work force continues to remain the backbone of its operations and their welfare has remained a prime area of focus. Upgradation and introduction of new housing facilities, water supply and sanitation, medical infrastructure etc. have been given priority. The new Wage/ Salary agreement for workers and Staff was implemented during the year.

In terms of requirements of Section 4 of the Sexual harassment of women at the workplace (Prevention, prohibition and rehabilitation) Act, 2013, the Company has formed Internal Complaints Committees for its workplaces. During the year, no complaint regarding sexual harassment was received by the said Committees.

Your Board of Directors wish to place on record its sincere appreciation for the dedicated services rendered by the executives, staff and workers at all levels and for smooth functioning of all the estates.

For and on behalf of the Board of Directors

**A. Khaitan**  
Managing Director

**K. K. Baheti**  
Wholetime Director & CFO

Place: Kolkata

Date: 30th May 2016

# ANNEXURE - I

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT

Global tea production during calendar year 2015 is estimated at approximately 2900 million kg of black tea and 2300 million kg of green tea. This represents stagnant production over last year. India, being the largest producer of black tea, produced 1191 million kg of tea as against 1207 million kg of tea during calendar year 2014. This represents around 42% of total global tea production. Kenya (399 million kg), Sri Lanka (329 million kg), other African countries (198 million kg), Bangladesh (66 million kg) are other main black tea producers globally. China predominantly produces green tea with a production of 2200 million kg. (Source: International Tea Committee Bulletin and Tea Board of India).

Weather condition during 2015 varied from one geography to another. India continued with unfavorable weather conditions like in the previous year and lost around 16 million kg of production, whereas, Africa particularly Kenya lost 46 million kg of production due to dry weather conditions at the beginning of 2015. Black tea production during the year 2015 registered negative growth over last year. Tea demand in Global market improved after some stability to geopolitical situation and currency fluctuation amongst consuming countries like Russia, Middle East, Egypt and Pakistan. Tea prices at Mombasa auction for African teas were higher by 20 % during calendar year 2015. However, tea prices in India were stagnant at last year's level despite low production due to stress in Rural Demand.

Costs, in India was substantially higher on account of increase in wages after implementation of new wage agreement and other input costs coupled with loss of crop. This had substantial impact on operating earnings for the year.

### OPPORTUNITIES AND THREATS

Global black tea production was lower during 2015 on account of loss of crop in Kenya and India. Black Tea production is likely to remain stagnant within a small range depending on weather conditions. Stagnancy in global production has mainly crept in because of insignificant increase of land under tea cultivation. Global demand is likely to grow by 2 to 3% thereby creating shortages and lower inventory levels. Indian exports, which were negatively impacted due to geopolitical instability and currency fluctuation amongst major consuming countries in the previous year, has seen recovery of demand with stability on geopolitical issues. These factors should have positive impact on prices both in global and domestic markets in medium term.

The small tea growers form a considerable part of the industry. The recent revised figures show a total production of around 300 million kgs from these small growers in North India. This gives an opportunity to create a segment based more on variable cost as compared to fixed cost for own production.

### SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company is primarily engaged in the business of cultivation, manufacture and sale of tea and is managed organizationally as a single unit. Accordingly, the Company is a single business segment company.

### RISKS AND CONCERNS

The Tea Industry is largely dependent on the vagaries of nature. The Industry is highly labour intensive and is subject to stringent labour laws. Substantial increase in labour wages, high social cost over most other tea producing countries, high infrastructure costs and increasing energy and other input costs remain the major problems for the Indian Tea Industry. Shortage of labour during peak season in some pockets is also a cause for concern. The Company has made substantial investment in irrigation to minimise the impact on crop.

These problems need to be addressed by improved productivity and energy conservation. The Tea Industry both in Assam and West Bengal have discussed with the Trade Unions and implemented productivity linked wages for the tea workers with a view to regain the Industry's competitiveness in the global market. Labour agreement for revision in wages for tea industry in Assam and West Bengal was been signed with an increase of 23% for 2015 and 10% and 9% for next two years respectively.

The Industry is also subject to taxation from the State Government as well as Central Government and while the level of direct taxes has come down over a period, some of the State levies like cess on green leaf in Assam and substantial increase in Land Revenue charges put the industry at a very disadvantageous position.

To mitigate various types of risks that the company has to face, the Board of Directors of the Company has adopted a Risk Management Policy and implemented the same at the Tea Estates and at Head Office of the Company. In view of fluctuations in foreign exchange and interest rates, the Company has adopted a specific Risk Management Policy to address the risks concerning the foreign exchange and derivative transactions. The Company has introduced Hazard Analysis and Critical Control Points (HACCP) at all the Tea Factories to ensure better quality product.

## OUTLOOK

Black Tea production during 2015, was negatively impacted by lower production in India and Kenya. Tea prices at Mombasa auction increased by 20% over previous year. However, tea prices in India maintained at last year's level. We have observed complete reversal of these factors during first four months of current year. Tea production in Kenya is reported to be higher by 40 million kg up to March as compared to previous year on account of much improved weather conditions. Tea prices at Mombasa auction during the first four months of the year have decreased by 20% as compared to last year. Weather conditions in India during first few months of new season have improved substantially as compared to dry weather conditions last year. It is expected that the industry would recover substantial part of crop losses suffered last year. Prices in India are likely to remain firm mainly due to robust demand in Indian as well as Global markets. Recovery of crop should help in setting off increase in the wages and other input costs.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. Three independent firms of Chartered Accountants carry out the internal audit at the Tea Estates on a regular basis. Another firm of Chartered Accountants conducts internal audit at the Head Office.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of

Directors informed of its major observations from time to time. The Risk Management Policy adopted by the Company has further strengthened the internal control system.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The details of Financial Performance and Operational Performance have been provided in the Report of the Directors.

## HUMAN RESOURCES

Tea Industry is highly labour intensive. The Company employs around 79,000 personnel at its Tea Estates and other establishments in India. Employee relations remained satisfactory during the period under review. The Company would like to record appreciation of the wholehearted support and dedication from employees at all levels in maintaining smooth production and manufacture of tea from all the Tea Estates during the year.

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

For and on behalf of the Board

**A. Khaitan**  
Managing Director

**K. K. Baheti**  
Wholetime Director & CFO

Place: Kolkata  
Date: 30th May 2016

# ANNEXURE -II

## CORPORATE GOVERNANCE REPORT

### (1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at efficient conduct of its operations and in meeting its obligations towards various stakeholders such as Customers, Vendors, Employees, Shareholders and Financiers and to the Society at large. The Company is in the business of cultivation and production of Tea and is one of the major producers of Tea in the world. The Company endeavours to produce quality Tea that consistently commands respect, trust and loyalty throughout the world by way of sustained efforts, research and development in plantation and adoption of latest technology. The Company strives for successful management of contingencies like drought and flood. While it is the endeavour of your Company to continue to produce Tea of premium quality to the satisfaction of its Customers worldwide, it also gives due importance to its obligations to the large workforce that it employs on the Tea Estates. The Company runs a business that has a human face and values the environment, people, products, plantation practices, customers and shareholders. The Company believes in achieving its goals, which result in enhancement of Shareholders' value through transparency, professionalism and accountability and nurture these core values in all aspects of its operations.

### (2) BOARD OF DIRECTORS

#### (a) Composition and Category of Directors

The Board of Directors of your Company as on 31st March 2016 consisted of twelve Directors as under:

- Two Non-Executive Promoter Directors including the Chairman;
- Vice-Chairman & Managing Director is a Promoter;
- Three Wholtime Directors;
- Six Non-Executive Independent Directors.

The Board has an optimum combination of Executive and Non-Executive Directors and half of the Board consisted of Independent Directors including one woman Director, which is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

#### (b)&(c) Attendance of each Director at the Board Meetings/ last AGM, Directorship and Chairmanship/ Membership in other Board/Board Committees

Name and category of the Directors on the Board, their attendance at Board Meetings held during the financial year ended 31st March 2016, number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies are given below. Other Directorships do not include alternate Directorships, Directorships in Private Limited Companies and Companies under Section 8 of the Companies Act, 2013 and of the Companies incorporated outside India. Chairmanship/ Membership of Board Committees relates to only Audit and Stakeholders' Relationship Committees.

Name of Directors	Category	No. of Board Meetings		Whether attended last AGM held on 4th August 2015	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies	
		Held during the year	Attended			As Chairman/Chairperson	As Member <sup>(#)</sup>
Mr. Brij Mohan Khaitan	Non-Executive Chairman	4	4	No	5	-	1
Mr. Aditya Khaitan	Vice Chairman & Managing Director	4	4	Yes	7	1	2
Mr. Amritanshu Khaitan	Non-Executive Director	4	4	Yes	8	-	-
Dr. Raghavachari Srinivasan	Non-Executive & Independent	4	4	Yes	5	1	4
Mr. Bharat Bajoria	Non-Executive & Independent	4	4	Yes	7	-	1
Mr. Ranabir Sen	Non-Executive & Independent	4	4	Yes	-	-	-
Mr. Utsav Parekh	Non-Executive & Independent	4	3	No	6	2	3
Mrs. Ramni Nirula	Non-Executive & Independent	4	3	No	9	4	9
Mr. Padam Kumar Khaitan	Non-Executive & Independent	4	4	Yes	8	2	3
Mr. Rajeev Takru	Wholetime Director	4	4	Yes	3	-	-
Mr. Azam Monem	Wholetime Director	4	4	Yes	-	-	-
Mr. Kamal Kishore Baheti	Wholetime Director	4	4	Yes	8	-	1

(#) Including Chairmanship, if any.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman/Chairperson of more than 5 Committees across all the Companies in which he/she is a Director. The Directors have made necessary disclosures regarding Committee positions held in other public limited companies in terms of Regulation 26(1)&(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(d) Number & Dates of Board Meetings**

Four Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

28th May 2015, 3rd August 2015, 3rd November 2015 and 25th January 2016.

**(e) Disclosure of relationships between Directors**

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013, except Mr. Aditya Khaitan who is the son of Mr. B. M. Khaitan.

**(f) Number of shares and convertible instruments held by Non-Executive Directors**

Sl. No.	Name of Director	No. of Shares held
1	Mr. Brij Mohan Khaitan Non-Executive Chairman	36,288
2	Mr. Amritanshu Khaitan Non-Executive Director	15,000
3	Dr. Raghavachari Srinivasan Non-Executive & Independent	-
4	Mr. Bharat Bajoria Non-Executive & Independent	1,800
5	Mr. Ranabir Sen Non-Executive & Independent	133
6	Mr. Utsav Parekh Non-Executive & Independent	-
7	Mrs. Ramni Nirula Non-Executive & Independent	-
8	Mr. Padam Kumar Khaitan Non-Executive & Independent	1,500

The Company has not issued any convertible instruments.

**(g) Web Link for Familiarisation Programme**

Web link giving the details of Familiarization Programme imparted to Independent Directors at <http://www.mcleodrussel.com/investors/pdf/familiarisation-programme-details.pdf>

**(3) AUDIT COMMITTEE**

The Audit Committee of the Board comprises of 4 Directors including 3 Independent Directors. The Members of the Audit Committee have wide exposure and knowledge in area of finance and accounting. The role and terms of reference of the Audit Committee covers the areas mentioned under Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

**(a) Brief descriptions of the terms of reference of the Audit Committee are as follows:**

- (i) oversight of the Company's financial reporting process and the disclosure of its financial information;
- (ii) recommendation for appointment, re-appointment, remuneration and terms of appointment, re-appointment of auditors including cost auditors and fixation of audit fees and removal of internal auditor/cost auditors;
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) reviewing with the management, examination of the quarterly and annual financial statements and auditor's report thereon before submission to the board for approval;
- (v) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (vi) Approval or any subsequent modification of transactions of the Company with related parties, including omnibus approval of related party transactions under such conditions as may be statutorily applicable.
- (vii) scrutiny of inter-corporate loans and investments;
- (viii) valuation of undertakings or assets of the Company, wherever it is necessary;

- (ix) to evaluate internal financial controls and risk management systems;
- (x) reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- (xi) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xii) discussion with internal auditors of any significant findings and follow up there on;
- (xiii) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xiv) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xv) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xvi) to review the functioning of the whistle blower mechanism;
- (xvii) approval of appointment of Chief Financial Officer (i.e. the wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

**(b) Composition, Name of Members and Chairperson**

The Audit Committee of the Board as on 31st March 2016 consisted of Dr. R. Srinivasan, Messrs. B. Bajoria, R. Sen and A. Khaitan. Dr. R. Srinivasan, a Non-Executive Independent Director, having adequate financial and accounting qualification and expertise, is the Chairman of the Audit Committee. The other members of the Committee are also financially literate. The Committee has three Non-Executive Independent Directors. Mr. A. Guha Sarkar, Senior Vice President & Company Secretary acts as the Secretary to the Committee.

**(c) Meetings and attendance during the year**

The particulars of meetings attended by the members of the Audit Committee during the financial year ended 31st March 2016 are given below:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Dr. R. Srinivasan, Chairman	Non-Executive & Independent	4	4
Mr. B. Bajoria	Non-Executive & Independent	4	4
Mr. R. Sen	Non-Executive & Independent	4	4
Mr. A. Khaitan	Vice Chairman & Managing Director	4	4

Four Meetings of the Audit Committee were held during the financial year ended 31st March 2016. The dates on which the Audit Committee Meetings were held are as follows:

28th May 2015, 3rd August 2015, 3rd November 2015 and 25th January 2016.

**(4) NOMINATION AND REMUNERATION COMMITTEE****(a) Brief description of terms of reference**

The role and principal terms of reference of the Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations are as follows:

- (i) to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment/removal.
- (ii) formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees;
- (iii) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (iv) to carry out evaluation of every Director's performance;
- (v) to devise a policy on Board diversity;

- (vi) whether to extend or continue the term of appointment of Independent Director on the basis of performance evaluation of Independent Directors.

**(b) Composition, Name of Members and Chairperson**

The Nomination and Remuneration Committee of the Board as on 31st March 2016 comprised of Mr. B. Bajoria, a Non-Executive Independent Director, as the Chairman, Dr. R. Srinivasan and Mr. R. Sen, Non-Executive Independent Directors as its Members.

**(c) Meeting and attendance during the year**

During the financial year ended 31st March 2016 one Meeting of the Nomination and Remuneration Committee was held on 3rd August 2015.

Name of Directors	Category	Attended
Mr. B. Bajoria, Chairman	Non-Executive & Independent	Yes
Dr. R. Srinivasan	Non-Executive & Independent	Yes
Mr. R. Sen	Non-Executive & Independent	Yes

**(d) Performance evaluation criteria for independent Directors**

The Nomination and Remuneration Committee specified the evaluation criteria for performance evaluation of Independent Directors and the Board of Directors of the Company. The Committee carried out the process of evaluation of the performance of every Director in accordance with its terms of reference.

The performance of the Independent Directors is evaluated on the basis of the following parameters:

- (i) Regular attendance in Board Meetings;
- (ii) Participation in discussions and contributions made;
- (iii) Expression of independent opinion on various matters taken up by the Board;
- (iv) Adequate knowledge about the Company's business and the Country's business and economic scenario;
- (v) Innovative ideas for growth of the Company and in solving problems faced by the Company;
- (vi) In case of conflict of interest, prompt in disclosing the same.

## (5) REMUNERATION OF DIRECTORS

### (a)&(b) Pecuniary Relationship or transactions of the Non-Executive Directors/criteria of making payments to Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board and Committee Meetings. They get Commission if approved by the Board for their valuable services to the Company subject to the limit fixed by the Members.

Criteria of making payment to Non-Executive Directors is disclosed in the Nomination and Remuneration Policy and the same is attached to the Report of the Directors as Annexure V.

The details of remuneration for the financial year ended 31st March 2016 to the Non-Executive Directors are as under:

Name of Directors	Sitting Fees (Rs.) for Board Meetings	Sitting Fees (Rs.) for Committee Meetings
Mr. B. M. Khaitan	1,40,000	-
Dr. R. Srinivasan	1,40,000	1,00,000
Mr. B. Bajoria	1,40,000	1,40,000
Mr. R. Sen	1,40,000	1,60,000
Mr. U. Parekh	1,00,000	40,000
Mrs. R. Nirula	1,20,000	-
Mr. Amritanshu Khaitan	1,40,000	-
Mr. Padam Kumar Khaitan	1,40,000	-
<b>Total</b>	<b>10,60,000</b>	<b>4,40,000</b>

### (c) Disclosures with respect to remuneration

#### (i),(ii)&(iii) Remuneration package/Remuneration paid to Directors

The Executive Directors are paid Salary, contribution to Provident Fund & other Funds, Bonus and allowances and perquisites as per their terms of appointment approved by the Members of the Company.

Non-Executive Directors and Independent Directors are paid sitting fees and commission as determined by the Board from time to time.

The details of the fixed components of the managerial remuneration paid to the Managing and the Wholetime Directors are given below. Allowances to the Executive

Directors may vary as approved by the Board based on their and Company's performance. Commission is paid to the Non-Executive Directors as approved by the Board based on the performance of the Company.

Details of Remuneration for the financial year ended 31st March 2016 to the Managing Director and Wholetime Directors are given below:

	Mr. A. Khaitan Rs.	Mr. R. Takru Rs.	Mr. A. Monem Rs.	Mr. K.K. Baheti Rs.
Salary	1,80,00,000	72,00,000	72,00,000	72,00,000
Contribution to Provident Fund and other Funds	48,60,000	19,44,000	19,44,000	19,44,000
Bonus and Allowances	2,68,00,000	1,04,20,000	1,04,20,000	1,04,20,000
Monetary value of Perquisites	28,800	1,83,029	2,35,576	1,17,042
Period of appointment	3 years w.e.f. 01.04.2014	3 years w.e.f. 01.04.2014	3 years w.e.f. 01.04.2014	3 years w.e.f. 01.04.2014
Notice period	3 months	3 months	3 months	3 months
Severance fees	Not specified	Not specified	Not specified	Not specified

The Agreements with the Managing Director and Wholetime Directors are normally done every 3 years.

### (iv) Stock option

The Company does not have any Scheme for grant of stock options to its employees.

## (6) STAKEHOLDERS' RELATIONSHIP COMMITTEE

### (a) Name of Non-Executive Director heading the Committee/Composition of the Committee

Stakeholder Relationship Committee of the Board as at 31st March 2016 consisted of Mr. R. Sen, a Non-Executive Independent Director, as the Chairman and Mr. B. Bajoria and Mr. U. Parekh both Non-Executive and Independent Directors were the other Members of the Committee.

### (b) Name and designation of Compliance Officer

Mr. A. Guha Sarkar, Senior Vice-President & Company Secretary is the Compliance Officer for redressal of Shareholder's/Investor's complaints.

**(c),(d)&(e) Details of Shareholders'/Investors' Complaints**

During the Financial Year ended 31st March 2016, 25 complaints were received from the Shareholders/Investors, all of which have been resolved within the year. The details are as under:

Opening as on 1st April 2015	Nil
Received during the year	25
Resolved during the year	25
Closing/Pending	Nil

**Meetings and attendance during the year**

During the financial year two Meetings of the Stakeholders' Relationship Committee were held on 3rd November 2015 and 18th March 2016 and the attendances of Members are as follows:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Mr. R. Sen, Chairman	Non-Executive & Independent	2	2
Mr. B. Bajoria	Non-Executive & Independent	2	2
Mr. U. Parekh	Non-Executive & Independent	2	2

**(7) GENERAL BODY MEETINGS****(a) Location and time of last three Annual General Meetings:**

Financial Year ended	Date	Time	Venue
31.03.2013	26.07.2013	11:30 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017
31.03.2014	23.07.2014	11:00 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017
31.03.2015	04.08.2015	10:30 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017

**(b) Special Resolutions passed in the previous three AGMs.**

AGM held on	Special Resolution passed:
26.07.2013	None
23.07.2014	A Special Resolution pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 for creation of mortgages and charges in addition to the existing mortgages and charges created by the Company to secure rupee/foreign currency loans, debentures, bonds or other instruments of an aggregate value not exceeding the borrowing limit available to the Board in terms of Section 180(1)(c) of the Companies Act, 2013.
04.08.2015	None

**(c) & (d) Details of the Special Resolutions passed through Postal Ballot 2015-2016/Person conducted the Postal Ballot exercise**

During the financial year ended 31st March 2016, the following Special Resolutions were passed through Postal Ballot in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 as per Notice dated 3rd August 2015. The details of the voting pattern in respect of the Resolutions passed are given below. Mr. A. K. Labh, practicing Company Secretary, was appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner:

Item No.	Description of the Resolution	Total number of Votes/ Shares casted	Total number of Votes/Shares (%) in favour of the Resolution	Total number of Votes/Shares (%) against the Resolution
1	Special Resolution for approval of remuneration payable to Mr. R. Takru (DIN:00023796) as a Whole Time Director of the Company for a period of three years commencing from 1st April, 2014 to 31st March, 2017 as minimum remuneration to be paid in the event of loss or inadequacy of profit.	57303637	46600404 (81.32%)	10703233 (18.68%)
2	Special Resolution for approval of remuneration payable to Mr. A. Monem (DIN:00023799) as a Whole Time Director of the Company for a period of three years commencing from 1st April, 2014 to 31st March, 2017 as minimum remuneration to be paid in the event of loss or inadequacy of profit.	57306837	46603615 (81.32%)	10703222 (18.68%)

3	Special Resolution for approval of remuneration payable to Mr. K. K. Baheti (DIN:00027568) as a Whole Time Director of the Company for a period of three years commencing from 1st April, 2014 to 31st March, 2017 as minimum remuneration to be paid in the event of loss or inadequacy of profit.	57303637	46601301 (81.32%)	10702336 (18.68%)
4	Special Resolution for waiver of recovery of excess remuneration paid to Mr. A. Khaitan (DIN:00023788) as the Managing Director of the Company during the year ended 31st March, 2015.	57303456	53915186(94.09%)	3388270(5.91%)
5	Special Resolution for waiver of recovery of excess remuneration paid to Mr. R. Takru (DIN:00023796) as a Whole Time Director of the Company during the year ended 31st March, 2015.	57303276	53916121(94.09%)	3387155(5.91%)
6	Special Resolution for waiver of recovery of excess remuneration paid to Mr. A. Monem (DIN:00023799) as a Whole Time Director of the Company during the year ended 31st March, 2015.	57303456	53915586 (94.09%)	3387870 (5.91%)
7	Special Resolution for waiver of recovery of excess remuneration paid to Mr. K. K. Baheti (DIN:00027568) as a Whole Time Director of the Company during the year ended 31st March, 2015.	57303456	53915586 (94.09%)	3387870 (5.91%)

**(e) No Special Resolution is proposed to be conducted through Postal Ballot.**

**(f) Procedure for Postal Ballot**

If there is any resolution which the Company proposes to pass by Postal Ballot or is required to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013, the Company dispatches the Postal Ballot Notice and forms along with postage prepaid Business Reply Envelopes to its Members whose names appear on the Register of Members/list of beneficiaries as on a cut-off date. The Postal Ballot Notice is sent to Members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agents (in case of physical shareholding). In compliance with Sections 108 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility to all its Members. The Company engages the services of Central Depository Services (India) Limited ['CDSL'] for the purpose of providing e-voting facility to all its members. The Members have the option to vote either by physical Ballot or through e-voting. The Company also publishes a Notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical Postal Ballot forms are requested to return the forms, duly completed and signed, to the Scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The Scrutinizer submits his Report to the Chairman, after the completion of scrutiny, and the consolidated Results of the voting by Postal Ballot are then announced by the Chairman/Authorized

Officer. The Results are also displayed on the Company's website, www.mcleodrusel.com, besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agent. In terms of Rule 22(14) of the Companies (Management and Administration) Rules, 2014, the date of the Meeting convened to declare the Results of Postal Ballot shall be the date on which the Resolution(s) would be deemed to have been passed, if approved by the requisite majority.

**Remote e-voting and Ballot voting at the Annual General Meeting**

The Company has arranged for remote e-voting facility to the Shareholders to vote on the Resolutions proposed at the 18th Annual General Meeting ('AGM'). The Company has engaged Central Depository Services (India) Limited to provide e-voting facility to all the Members. Members whose names appear on the Register of Members as on the cut-off date i.e. 1st August 2016 shall be eligible to participate in the e-voting.

The facility for voting through Ballot Paper will also be made available at the AGM and the Members who have not already cast their vote by remote e-voting can exercise their voting through Ballot Paper at the AGM.

**(8) MEANS OF COMMUNICATION**

The Company regularly interacts with the Shareholders through multiple ways of communication such as Results announcement, Annual Report, and through Company's website and specific communications.

**(a)&(b) Quarterly Results/Newspaper wherein Results normally published**

Quarterly, half-yearly and annual Results are published in prominent dailies which inter alia, include Business Standard (English), The Economic Times (English) and Aajkal (Bengali)

in the form prescribed by the Stock Exchanges in the Listing Agreement as applicable till 30th November 2015 and Listing Regulations from 1st December 2015 onwards.

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS), BSE Listing Centre through online filing and CSE through e-mail for dissemination on their respective websites.

#### (c)&(d) Website

The Financial Results are also made available on the website of the Company [www.mcleodrussel.com](http://www.mcleodrussel.com). Information relating to the Company and its performance, Unpaid Dividend, Press Releases and Information Updates as and when made are displayed on the Company's website and also sent to the Stock Exchanges to enable them to put the same on their own websites.

#### (e) Presentation

No presentation was made to Institutional Investors or to the analysts during the year under review.

### (9) GENERAL SHAREHOLDER INFORMATION

#### (a) 18th Annual General Meeting

Date and Time : 8th August 2016 (Monday) at 11:00 a.m.  
Venue : Kala Mandir  
48, Shakespeare Sarani, Kolkata – 700 017

#### (b) Financial Year : 1st April 2015 to 31st March 2016

#### (c) Dividend Payment Date

The Dividend, if declared, shall be paid/credited on or after 12th August 2016.

#### (d) Name and address of Stock Exchanges/Payment of annual Listing Fee

The Company's Shares are listed at the following Stock Exchanges and the Annual Listing Fees for the year 2016-2017 have been paid to all these Stock Exchanges.

Name and address of Stock Exchanges	
1	Bombay Stock Exchange Limited [BSE] P.J. Towers, 25th Floor, Dalal Street, Mumbai – 400 001
2	National Stock Exchange of India Limited [NSE] Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
3	The Calcutta Stock Exchange Limited [CSE] 7 Lyons Range, Kolkata - 700 001

#### (e) Stock Code/Listing of Shares

Name of the Stock Exchanges [where the Company's Shares are listed]	Date of Listing of Equity Shares of Rs.5/- each of the Company	Date of Listing of Equity Shares of Rs.5/- each of the Company	Date of Listing of Equity Shares of Rs.5/- each of the Company	Date of Listing of Equity Shares of Rs.5/- each of the Company	Stock Code
BSE	28.07.2005	21.08.2006	09.11.2006	01.08.2008	532654
NSE	29.07.2005	28.08.2006	09.11.2006	18.08.2008	MCLEODRUSS
CSE	23.08.2005	31.08.2006	16.11.2006	24.09.2008	10023930

Demat ISIN for NSDL & CDSL: **INE 942G01012**

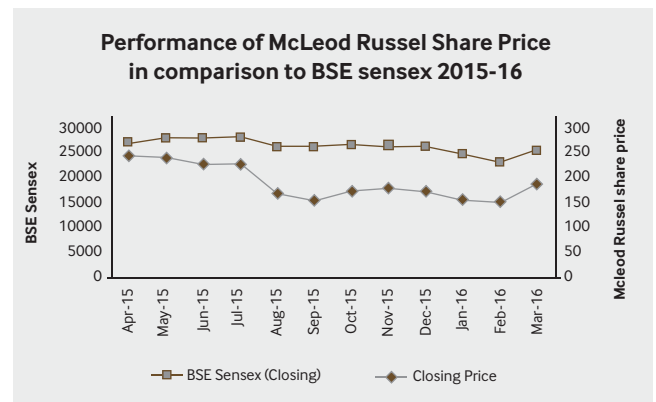
#### (f) Market Price Data:

Month	Bombay Stock Exchange				National Stock Exchange	
	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	BSE Sensex (Closing)	High Price (Rs.)	Low Price (Rs.)
April 2015	268.60	236.30	242.20	27011.31	269.00	236.00
May 2015	263.00	226.05	240.60	27828.44	256.40	229.30
June 2015	247.90	220.00	227.55	27780.83	248.05	219.30
July 2015	241.90	216.55	225.30	28114.56	241.90	217.00
August 2015	231.00	162.80	166.25	26283.09	231.20	162.75
September 2015	174.25	144.05	154.10	26154.83	173.85	143.80
October 2015	187.80	154.55	172.00	26656.83	189.90	154.05
November 2015	183.40	160.00	179.95	26145.67	183.35	159.20
December 2015	186.00	165.00	173.45	26117.54	186.60	167.55
January 2016	176.30	140.60	155.15	24870.69	175.90	141.15
February 2016	157.90	129.70	151.25	23002.00	159.60	129.05
March 2016	194.00	152.50	185.60	25341.86	193.05	150.60

#### (g) Performance in comparison to BSE Sensex Share Price Performance (April 2015 to March 2016)

Sensex (Closing)

Share Price (Closing)



**(h) In case the Securities suspended from trading – Not Applicable**

**(i) Registrar and Share Transfer Agents**

In accordance with the SEBI directive vide Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27th December 2002 the Company appointed the following SEBI registered Agency as the Common Registrar and Share Transfer Agents of the Company for both the Physical and Dematerialized segments with effect from 14th March 2005:-

**Maheshwari Datamatics Pvt Ltd.**

6, Mangoe Lane, 2nd Floor  
 Surendra Mohan Ghosh Sarani, Kolkata – 700001.  
 TEL. : (033) 2243-5809; 2243-5029; 2248-2248  
 FAX : (033) 2248-4787 E-MAIL : mdpldc@yahoo.com

**(j) Share Transfer System**

The requests for transfer of shares held in physical mode should be lodged at the office of the Company's Registrar & Share Transfer Agents, Maheshwari Datamatics Private Limited (Registered with SEBI), 6 Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata 700001 or at the Registered Office of the Company. The Board of Directors has unanimously delegated the powers of share transfer, transmission, sub-division, consolidation and issue of duplicate Share Certificate/s to a Share Transfer Committee comprising Messrs. K. K. Baheti, R. Takru and A. Monem in order to expedite transfer, transmission etc. in the physical form. During the year the Committee met once every week for approving Share Transfers and for other related activities. Share Transfers are registered and returned in the normal course within an average period of 14 days, if the transfer documents are found technically in order and complete in all respects.

The Company conducts a weekly review of the functions of the Registrar and Share Transfer Agent for upgrading the level of service to the Shareholders. Weekly review is also conducted on the response to the shareholders pertaining to their communication and grievances, if any.

Transfer of unpaid and unclaimed dividend to Investor Education and Protection Fund.

The Company has transferred the unpaid and unclaimed dividends declared up to financial years 2007-2008, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Pursuant to the provisions of IEPF (Uploading of information regarding

unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 4th August 2015 (date of last Annual General Meeting) on the website of the Company (www.mcleodrussel.com).

**(k) Distribution of shareholding as on 31st March 2016**

Size of holding	No. of holders	Percentage	No. of Shares	Percentage
1 to 500	56,115	92.8088	55,57,096	5.0770
501 to 1000	2,533	4.1893	18,89,672	1.7264
1001 to 2000	1,020	1.6870	14,91,691	1.3628
2001 to 3000	273	0.4515	6,91,228	0.6315
3001 to 4000	95	0.1571	3,38,092	0.3089
4001 to 5000	85	0.1406	3,92,904	0.3590
5001 to 10000	131	0.2167	9,51,007	0.8689
10001 and above	211	0.3490	9,81,44,045	89.6655
<b>Total</b>	<b>60,463</b>	<b>100.0000</b>	<b>10,94,55,735</b>	<b>100.0000</b>

**(l) Dematerialization of shares and liquidity**

The Company's Shares form part of the SEBI's Compulsory Demat segment for all Shareholders/investors. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] through the Registrar, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata 700001. Requests for dematerializations of shares are processed and confirmations are given to the respective Depositories within the prescribed time. 97.65% Shares of the Company are in dematerialized form.

**(m) Outstanding GDRs or ADRs or Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs or ADRs or Warrants or any convertible instruments.

**(n) Commodity price risk or foreign exchange risk and hedging activities**

The Company being a major exporter of Tea, is involved in forward sale of a part of the foreign exchange earned by it based on past performance as also in interest swap activities following the Risk Management Policy on Foreign Exchange and Derivative Transactions framed by it. The Board monitors the foreign exchange exposures on a quarterly basis and necessary steps are taken to limit the risks of adverse exchange rate movement.

**(o) Plant Locations:**

Tea manufacturing plants are located at the following Tea Estates –

Locations	Tea Estates
<b>ASSAM:-</b>	
BISHNAUTH	DEKORAI, MIJICAJAN, MONABARIE, PERTABGHUR, NILPUR
DHUNSERI	BEHORA, BUKHIAL
DOOM	BAGHJAN, BORDUBI, KOOMSONG,
DOOMA	PHILLOBARI, BEESAKOPIE/DAIMUKHIA, RAIDANG, SAMDANG
EAST BOROI	BARGANG, BEHALI, BOROI, DUFFLAGHUR, HALEM, NYA GOGRA
JORHAT	HUNWAL
MANGALDAI	ATTAREEKHAT, BHOOTEACHANG, BORENGAJULI, CORRAMORE, DIMAKUSI, PANEERY
MARGHERITA	BOGAPANI, DEHING, DIROK, MARGHERITA, NAMDANG
MORAN	ATTABARRIE, DIRAI, LEPETKATTA, MORAN, RAJMAI, SEPON
THAKURBARI	ADDABARIE, HARCHURAH, PHULBARI, RUPAJULI, TARAJULIE, TEZPORE & GOGRA
TINGRI	DIRIAL, ITAKHOOLI, KEYHUNG, MAHAKALI
<b>WEST BENGAL:-</b>	
DOOARS	BHATPARA, CENTRAL DOOARS, CHUAPARA, JAINTI/CHUNIAJHORA, MATHURA

**(p) Address for correspondence**

Any assistance regarding Share transfers and transmission, change of address, non-receipt of share certificate/duplicate share certificate, demat and other matters for redressal of all share-related complaints and grievances, the Members are requested to write to or contact the Registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matter relating to their shareholding in the Company at the addresses given below:

**i) The Company's Registered Office at :****McLeod Russel India Limited**

Corporate Identity Number(CIN):L51109WB1998PLC087076  
Four Mangoe Lane, Surendra Mohan Ghosh Sarani,  
Kolkata – 700 001.

TEL : 033-2210-1221, 033-2243-5391, 033-2248-9434,  
033-2248-9435

FAX : 91-33-2248-3683, 91-33-2248-8114,  
91-33-2248-6265

E-Mail: administrator@mcleodrussel.com

**ii) Registrar and Share Transfer Agents' Registered Office at:****Maheshwari Datamatics Pvt Ltd.**

6, Mangoe Lane, 2nd Floor  
Surendra Mohan Ghosh Sarani  
Kolkata – 700001.

Tel. : (033) 2243-5029; 2243-5809; 2248-2248

Fax : (033) 2248-4787

E-mail: mdpldc@yahoo.com

In case of any difficulty, the Compliance Officer at the Registered Office of the Company may be contacted.

Special E-mail Id.: investors@mcleodrussel.com.

**(10) OTHER DISCLOSURES****(a) Disclosures on materially significant related party transactions having potential conflict: Nil.****(b) Compliance of Laws & Regulations relating to Capital Markets**

The Company has complied with all the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the financial year. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the financial years ended 31st March 2014, 31st March 2015 and 31st March 2016.

**(c) Whistle Blower Policy/Vigil Mechanism**

The Company has a Whistle Blower Policy, which is available at the Company's website at the web link at <http://www.mcleodrussel.com/investors/pdf/whistle.pdf> and no personnel has been denied access to the Audit Committee.

**(d) Compliance with Mandatory requirements and adoption of Non-mandatory requirements**

All the mandatory requirements of Clause 49 of the Listing Agreement as applicable till 30th November 2015 and Listing Regulations from 1st December 2015 onwards have been appropriately complied with and the compliance of the non-mandatory are given below. The Company has executed the fresh Agreements with BSE, NSE and CSE as required under the newly enacted Listing Regulations.

### **Compliance of Non-Mandatory Requirements**

#### **The Board**

During the financial year ended 31st March 2016, a part of the expenses for maintenance of the office of the Non-Executive Chairman was borne by the Company.

#### **Shareholder Rights – Half yearly results**

Half-yearly Results are published in prominent dailies which inter alia, include Business Standard (English), The Economic Times (English) and Aajkal (Bengali) in the form prescribed by the Stock Exchanges from time to time and the same are not sent to the Shareholders of the Company but hosted on the Company's website at the web link at <http://www.mcleodrussel.com/investors/financial-results.aspx>

#### **Modified Opinion in Audit Report**

The Auditors of the Company have furnished their Audit Report in respect of the Financial Results for the Financial Year ended 31st March 2016 with unmodified opinion.

#### **Separate Posts of Chairman and CEO/Managing Director**

The Posts of Chairman and Managing Director of the Company are separate.

#### **Reporting of Internal Auditors:**

The Internal Auditors of the Company are Independent and their Reports are placed before the Audit Committee.

#### **(e) & (f) Web Links**

The Company has formulated a Policy for determining Material Subsidiaries to ensure governance of material subsidiary companies, which is available on Company's website at the web link at <http://www.mcleodrussel.com/investors/pdf/material.pdf>

In terms of the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at the web link at <http://www.mcleodrussel.com/investors/pdf/related-party-transaction-policy.pdf>

#### **(g) Commodity price risk and commodity hedging activities**

The Company is engaged in growing, manufacturing and selling of Tea. Green leaf is the principal raw material of the Company, a major part of which is grown in the Tea Estates owned by the Company. The Company also procures green leaves from the out growers at the prevailing market price. The management monitors the price and supply of green leaf and takes necessary steps to minimize the price risk. The Company sells the tea produced by it through Auction, by way of export and private sale.

### **(11) COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS**

The Company has duly complied with the Corporate Governance requirements and there is no Non-Compliance of any requirement of Corporate Governance Report covered under sub-paras (2) to (10) of the Part C of Schedule V of the Listing Regulations.

### **(12) DISCRETIONARY REQUIREMENTS :** Details given in Clause 10(d) above.

### **(13) DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**

The Company has duly complied with the Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

For and on behalf of the Board

**A. Khaitan**  
Managing Director

**K. K. Baheti**  
Wholetime Director & CFO

Place: Kolkata  
Date: 30th May 2016

# ANNEXURE -III

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of **McLeod Russel India Limited**

We have examined the compliance of conditions of Corporate Governance by McLeod Russel India Limited, for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**PRICE WATERHOUSE**  
 Firm Registration Number: 301112E  
 Chartered Accountants

**Prabal Kr. Sarkar**  
 Partner  
 Membership No: 52340

Place: Kolkata  
 Date: May 30, 2016

## DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODES OF CONDUCT

This is to confirm that the Company has adopted two separate Codes of Conduct to be followed by the Members of the Board and Senior Management Personnel of the Company respectively. Both these codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March 2016 received from the Members of the Board and Senior Management Personnel, a Declaration of Compliance with the Code of Conduct as applicable to them.

**McLEOD RUSSEL INDIA LTMITED**

**A. Khaitan**  
 Managing Director

Place: Kolkata  
 Date: 30th May 2016

# ANNEXURE -IV

## ANNUAL REPORT ON CSR ACTIVITIES

1. Your Company is conscious of its social responsibilities and the environment in which it operates. Like earlier years it continued its welfare activities for development in the field of education, culture, creation of livelihood and other welfare measures to improve the general standard of living in and around the Tea Estates. After Corporate Social Responsibility became an obligation under the Companies Act, 2013, the Company has taken up several specific projects to comply with the requirements of Section 135 of the Companies Act, 2013 and Rules made thereunder. The Board of Directors has formed a CSR Committee and adopted a CSR Policy for the Company.

In terms of the CSR Policy adopted by the Company, the CSR activities of the Company shall include one or more of the items covered under Schedule VII to the Companies Act, 2013 with special focus on the following:

- Promoting preventive healthcare and sanitation and making available safe drinking water.
- Promoting education and education related activities and livelihood enhancement projects.
- Activities relating to environmental sustainability and ecological balance.

(c) Manner in which the amount spent during the financial year is detailed below.

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (vide Schedule VII to the Companies Act, 2013)	Projects or programs (i) Local area or other (ii) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (Rs. in lakhs)	Amount spent on the projects or programs (Rs. in lakhs)	Cumulative CSR expenditure upto the reporting period (Rs. in lakhs)	Amount spent: Direct or through implementing agency
1	Construction of dining hall for the students at Assam Valley School at Assam	Sch. VII item (ii)	(i) Local Area (ii) Dist. Sonitpur, Assam	1200	408.29	818.46	Direct
2(a)	Water supply scheme for safe drinking water and Health care & sanitation	Sch. VII Item (i)	(i) Local Area (ii) Vill: Barengabari, Dimakuchi, Dist. Udalguri, BTAD, Assam.	11.33	2.20	11.81	Direct

- Protection of national heritage, art and culture.
- Training to promote various sports.
- Contribution to various funds covered under Schedule VII. The detailed CSR Policy of the Company can be accessed at <http://www.mcleodrussel.com/investors/pdf/csr-policy.pdf>.

2. The Composition of the CSR Committee.

Mr. R. Takru	...	Chairman
Mr. A. Monem	...	Member
Mr. K.K. Baheti	...	Member
Mr. R. Sen	...	Member

3. Average net profit of the Company for last three financial years: Rs. 18,309.46 lakhs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 366.19 lakhs.

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: Rs. 366.19 lakhs.

(b) Amount unspent, if any: Nil

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (vide Schedule VII to the Companies Act, 2013)	Projects or programs (i) Local area or other (ii) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (Rs. in lakhs)	Amount spent on the projects or programs (Rs. in lakhs)	Cumulative expenditure upto the reporting period (Rs. in lakhs)	Amount spent: Direct or through implementing agency
2(b)	Development of Ponds / water body for Fisheries and Environmental conservation & Ecological balance	Sch. VII Item (iv)	(i) Local Area (ii) Vill: Barengabari, Dimakuchi, Dist. Udalguri, BTAD, Assam.	12.62	0.97	11.29	Direct
3	Development of Fisheries and Environmental conservation & Ecological balance	Sch. VII Item (iv)	(i) Local Area (ii) Fatikjan Gaon, Dist-Tinsukia, Assam	2.61	0.54	0.61	Direct
4	Vermicompost Production by Villegers	Sch. VII Item (iv)	(i) Local Area (ii) Khasia chuba village, Dist-Udalgiri, Assam	3.00	3.01	3.01	Direct
5	Vermicompost Production by Villegers	Sch. VII Item (iv)	(i) Local Area (ii) Khoirajungle village, Dist-Darrang, Assam	3.00	3.04	3.04	Direct
6	Promotion of traditional weaving skills of the local ethnic community	Sch. VII Item (v)	(i) Local Area (ii) Borengajuli T.E., Dist. Udalguri, BTAD, Assam	1.20	1.12	1.12	Direct
7	Safe drinking water Project	Sch. VII Item (i)	(i) Local Area (ii) Borengajuli tea Estate, Dist-Udalgiri, Assam	4.00	4.02	4.02	Direct
8	Supporting elderly ladies at Old Age Home and villagers with distribution of food, clothes and blankets etc. and educational support to slum children.	Sch. VII Item (i), (ii) and (iii)	Local area being Howrah, Hooghly and Kolkata, West Bengal where the Company has its Registered and Head Office	12.00	12.00	12.00	Implementing Agency – MCKS food for Hungry Foundation, WB
<b>TOTAL</b>				<b>1249.76</b>	<b>435.19</b>	<b>865.36</b>	

6. In terms of the requirements of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Company was required to spend Rs. 366.19 lakhs during the financial year ended 31st March, 2016, being 2% of the average net profits of the Company for the earlier three years. During the year, the Company has spent 435.19 lakhs in eight different CSR Projects undertaken by the Company.

7. We hereby declare that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

**A. Khaitan**  
Managing Director

**R. Takru**  
Chairman CSR Committee

Place: Kolkata  
Date: 30th May 2016

# ANNEXURE -V

## REMUNERATION POLICY

### 1. PREAMBLE

Section 178 of the Companies Act, 2013 requires every Listed Company and certain other class of Companies to adopt a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee set up, pursuant to above Section is to formulate the criteria for determining qualifications and positive attributes and independence of a Director and recommend to the Board the above Policy for adoption. SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ('Listing Regulation') also contains a similar provision. Additionally it requires, a Policy on Board diversity. The Company is also required to disclose the Remuneration Policy in its Annual Report.

### 2. POLICY

In compliance of the above requirements the Board of Directors of McLeod Russel India Limited ('MRIL'), being a Listed Company, has adopted this Remuneration Policy which would be reviewed at regular intervals by the Nomination and Remuneration Committee of the Board.

### 3. POLICY OBJECTIVES

The aims and objectives of the Policy may be summarised as under:-

- 3.1 The Remuneration Policy aims to enable the company to attract, retain and motivate appropriately qualified Persons/Members for the Board and Executive level.
- 3.2 The Remuneration Policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account Shareholder interests, industry standards and relevant Indian corporate regulations.
- 3.3 The Remuneration Policy seeks to ensure that the interests of the Board Members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- 3.4 The Remuneration Policy will ensure that the remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 4. PRINCIPLES OF REMUNERATION

- I. **TRANSPARENCY:** The process of remuneration management shall be transparent, unbiased and impartial and conducted in good faith and in accordance with appropriate levels of confidentiality.

- II. **PERFORMANCE DRIVEN REMUNERATION:** The Company should follow the culture of performance driven remuneration by way of implementation of performance incentive system and annual assessment.

- III. **AFFORDABILITY AND SUSTAINABILITY:** The Company shall ensure that the remuneration at various levels is affordable and is capable of being sustained.

- IV. **FLEXIBILITY:** While the remuneration packages at various levels should be standardized, there should be enough scope to make it flexible with a view to reward candidates with exceptional qualities and competence.

- V. **INTERNAL EQUITY:** The Company shall strive to remunerate the Board Members and other Executives in terms of their roles and responsibilities undertaken within the Organisation. Their contribution and value addition for the growth of the Company shall be counted while fixing their remuneration and subsequent promotion. The same principle shall also be observed for other Executives.

- VI. **EXTERNAL EQUITY:** With a view to retain the best talents, the Company shall on a continuous basis procure information relating to market trend of remuneration packages being offered by various Companies in the same sector and try to match the remuneration accordingly.

- VII. **NON-MONETARY BENEFITS:** The Company may consider extending certain Non-monetary Benefits with a view to offer social security to the families of the present and the past employees of the Company.

### 5. REMUNERATION FOR DIRECTORS IN WHOLETIME EMPLOYMENT

The Board of Directors subject to the approval of the Shareholders at a General Meeting approves the remuneration payable to the Wholtime Directors and Managing Director ('Executive Directors') based on the recommendation of the Nomination and Remuneration Committee. Executive Directors' remuneration is reviewed annually against performance, keeping in view the size and complexity of business and challenges encountered during the period under review. In determining packages of remuneration, the Committee may consult the Chairman and/or external agencies. The remuneration package of the Executive Directors shall comprise of the following components.

- a) **Basic Salary:** The basic salary shall be fixed within a salary grade which allows the Board to grant increments within a time frame of three years.

- b) **Bonus:** The Executive Directors may be granted bonus not exceeding 6 months' salary in a year, as may be approved by the Board.
- c) **Allowance:** In addition to basic salary, the Board may subject to/pursuant to the approval of the shareholders at a general meeting, grant fixed and/or variable Allowance/Allowances to the Executive Directors as the Board may deem fit.
- d) **Perquisites:** The perquisites to be offered to the Executive Directors shall include housing, car, medical, leave travel concession, leave encashment, club fees and other perquisites in terms of the Rules framed by the Nomination and Remuneration Committee for the Directors and/or the Rules applicable to the Senior Executives of the Company.
- e) **Retiral benefits:** The Executive Directors will be entitled to retiral benefits in terms of the Company's Policy for the Senior Management which will be in accordance with the applicable laws.
- f) **Sitting Fees:** The Executive Directors will not be entitled to any fee for attending the Meetings of the Board of Directors and Committees thereof.

## 6 REMUNERATION OF NON- EXECUTIVE DIRECTORS

- I. **Sitting Fees:** The Non-Executive Directors shall be paid Sitting Fees for attending the Board and Committee Meetings as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the ceiling fixed in the Articles of Association of the Company and the Companies Act, 2013. They will also be reimbursed travelling and out of pocket expenses on actual basis for attending the meetings.
- II. **Commission:** Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Non- Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.

## 7 REMUNERATION OF KEY MANAGERIAL PERSONNEL AND OTHER EXECUTIVES

The Human Resource Department of the Company shall follow the principles of remuneration stated hereinabove while deciding on the remuneration structure of the Key Managerial Personnel who are not Directors and for other Executives of the Company.

## 8 ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The role and responsibilities of the Nomination and Remuneration Committee shall be as prescribed in Section 178 of the Companies Act, 2013 and the Listing Regulation.

## 9 SELECTION OF BOARD MEMBERS

- 9.1 Nomination of a suitable person for appointment as a Director is a major responsibility of the Nomination and

Remuneration Committee. The objective is to ensure that the Company's Board is competent at all points of time to be able to take decisions commensurate with the size and scale of operations and complexities of business. The Committee is to promptly identify candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board, after due consideration decides on the selection of the right candidate for appointment.

- 9.2 While considering nomination of candidates for appointment on the Board, the Nomination and Remuneration Committee will consider candidates not only from the field in which the Company operates but also from other professional areas like management, finance, accountancy, law, banking, merchant banking etc., with the objective of maintenance of Board diversity. The Committee shall also consider the following qualifications like possessing basic academic qualification, requisite knowledge, experience and business skills that will benefit the Company and its business operations.

- 9.3 At the time of considering the candidates for appointment as Director the criteria for determining positive attributes shall inter alia include the following :-

Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self confident, sees the whole picture.

- 9.4 While considering candidates for appointment as an Independent Director, the Nomination and Remuneration Committee shall consider the criteria for determining independence of a candidate as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder as also in the Listing Regulation.

## 10. APPROVAL AND PUBLICATION

This Remuneration Policy has been adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The particular of the Policy shall be published in the Report of the Board of Directors in terms of the Companies Act, 2013.

## 11. OTHER PROVISIONS

Any matter not provided for in this Policy shall be dealt with in accordance with the provisions in the Articles of Association of the Company, relevant state laws and other applicable laws and regulations. The right to interpret this Policy shall vest in the Board of Directors of the Company.

**For and on behalf of the Board**

**A. Khaitan**

Managing Director

**K. K. Baheti**

Wholetime Director & CFO

Place: Kolkata

Date: 30th May 2016

# ANNEXURE -VI

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2016  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i)	CIN	: L51109WB1998PLC087076
ii)	Registration Date	: 05/05/1998
iii)	Name of the Company	: Mcleod Russel India Limited
iv)	Category/Sub-Category of the Company	: Public Company; Company having share capital
v)	Address of the Registered office and contact details	: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001; Telephone: 033-2210-1221; 033-2248-9434/35
vi)	Whether listed company	: Yes; The shares of the Company are listed on BSE, NSE and CSE

vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor Surendra Mohan Ghosh Sarani Kolkata – 700001. Tel. : (033) 2243-5029; 2243-5809; 2248-2248 Fax : (033) 2248-4787 E-mail: mdpldc@yahoo.com
------	---	--

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cultivation, manufacture and sale of tea	01271; 10791; 46306	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Borelli Tea Holdings Limited, Woodlands, 79 High Street, Greenhithe, Kent, DA9 9NL, U.K.	N.A.	Wholly Owned Subsidiary	100%	2(87)
2	Phu Ben Tea Company Limited, Thanh Ba Town, Thanh Ba District, Phu Tho Province, S. R. Vietnam	N.A.	Step down Subsidiary	100%	2(87)
3	Rwenzori Tea Investments Limited, Mwenge Central Offices, Mwenge Estate, Kyarusozzi, Kyenjojo District, P.O. Box 371, Fort Portal, Uganda	N.A.	Step down Subsidiary	100%	2(87)
4	McLeod Russel Uganda Limited, Mwenge Central Offices, Mwenge Estate, Kyarusozzi, Kyenjojo District, P.O. Box 371, Fort Portal, Uganda	N.A.	Step down Subsidiary	100%	2(87)
5	Gisovu Tea Company Limited, P.O. Box 60, District of Karongi, Western Province, Rwanda.	N.A.	Step down Subsidiary	60%	2(87)
6	Pfunda Tea Company Limited, PO Box 206, Gisenyi, Rwanda.	N.A.	Step down Subsidiary	90%	2(87)
7	McLeod Russel Middle East DMCC, Unit No DTTC-G-029, DTTC Building, Plot No. S 10814, Jebel Ali Free zone-South, Dubai UAE	N.A.	Step down Subsidiary	100%	2(87)
8	McLeod Russel Africa Limited, Plot No. LR. No. 277, Section XXI, Rali House, Nyerere Avenue, P.O. Box 41184-80100, Mombasa	N.A.	Step down Subsidiary	100%	2(87)
9	D1 Williamson Magor Bio Fuel Limited Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700001	U40107WB2006PLC111183	Associate	34.30	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2015]				No of Shares held at the end of the year [As on 31/Mar/2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	122006	0	122006	0.1115	156973	0	156973	0.1434	28.6601
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	22878507	0	22878507	20.9021	27385308	0	27385308	25.0195	19.6988
e) Banks/Fi									
f) Any other									
<b>Sub-total (A)(1)</b>	<b>23000513</b>	<b>0</b>	<b>23000513</b>	<b>21.0136</b>	<b>27542281</b>	<b>0</b>	<b>27542281</b>	<b>25.1629</b>	<b>19.7464</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.	27067500	0	27067500	24.7292	27067500	0	27067500	24.7292	0.0000
d) Banks/Fi									
e) Any other									
<b>Sub-total (A)(2)</b>	<b>27067500</b>	<b>0</b>	<b>27067500</b>	<b>24.7292</b>	<b>27067500</b>	<b>0</b>	<b>27067500</b>	<b>24.7292</b>	<b>0.0000</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>50068013</b>	<b>0</b>	<b>50068013</b>	<b>45.7428</b>	<b>54609781</b>	<b>0</b>	<b>54609781</b>	<b>49.8921</b>	<b>9.0712</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	13323835	1342	13325177	12.1740	15191454	1342	15192796	13.8803	14.0157
b) Banks/Fi	256902	41009	297911	0.2722	1336483	41009	1377492	1.2585	362.3837
c) Central Govt	0	112	112	0.0001	0	112	112	0.0001	0.0000
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	2465438	0	2465438	2.2525	1605000	0	1605000	1.4663	-34.9000
g) FIs	28682894	0	28682894	26.2050	15390701	0	15390701	14.0611	-46.3419
h) Foreign Venture Capital Funds									
i) Others (specify)									
Foreign Portfolio Investors	0	0	0	0.0000	6863178	0	6863178	6.2703	100.0000
<b>Sub-total(B)(1):-</b>	<b>44729069</b>	<b>42463</b>	<b>44771532</b>	<b>40.9038</b>	<b>40386816</b>	<b>42463</b>	<b>40429279</b>	<b>36.9366</b>	<b>-9.6987</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3013824	56783	3070607	2.8053	1737392	51415	1788807	1.6343	-41.7442
ii) Overseas	136350	0	136350	0.1246	136350	0	136350	0.1246	0.0000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7459789	2353001	9812790	8.9651	8164875	2291699	10456574	9.5532	6.5607
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	801796	66826	868622	0.7936	1072052	66826	1138878	1.0405	31.1132

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2015]				No of Shares held at the end of the year [As on 31/Mar/2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
Non Resident Indians	347471	36902	384373	0.3512	368605	32740	401345	0.3667	4.4155
Custodian of Enemy Property	0	3276	3276	0.0030	0	0	0	0.0000	-100.0000
Foreign Nationals	0	90050	90050	0.0823	3276	90050	93326	0.0853	3.6380
Clearing Members	232087	0	232087	0.2120	282816	0	282816	0.2584	21.8578
Trusts	18014	21	18035	0.0165	6851	21	6872	0.0063	-61.8963
NBFCs registered with RBI	0	0	0	0.0000	111707	0	111707	0.1021	100.0000
<b>Sub-total(B)(2):-</b>	<b>12009331</b>	<b>2606859</b>	<b>14616190</b>	<b>13.3536</b>	<b>11883924</b>	<b>2532751</b>	<b>14416675</b>	<b>13.1714</b>	<b>-1.3560</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>56738400</b>	<b>2649322</b>	<b>59387722</b>	<b>54.2574</b>	<b>52270740</b>	<b>2575214</b>	<b>54845954</b>	<b>50.1080</b>	<b>-7.6477</b>
<b>C. Shares Held By Custodian For Gdrs &amp; Adrs</b>									
<b>Grand Total (A+B+C)</b>	<b>106806413</b>	<b>2649322</b>	<b>109455735</b>	<b>100.0000</b>	<b>106880521</b>	<b>2575214</b>	<b>109455735</b>	<b>100.0000</b>	

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2015]			Shareholding at the end of the year [As on 31/Mar/2016]			% change in share holding during the Year
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	
1	Kamal Baheti (Trustee-Borelli Tea Holdings Ltd)	27067500	24.7292	0.0000	27067500	24.7292	0.0000	0.0000
2	Williamson Magor & Co Limited	11660946	10.6536	16.6416	11660946	10.6536	16.6416	0.0000
3	Williamson Financial Services Limited	5898725	5.3891	24.5816	5898725	5.3891	24.5816	0.0000
4	Woodside Parks Limited	0	0.0000	0.0000	4506801	4.1175	66.5661	100.0000
5	Bishnauth Investments Limited	3971108	3.6280	39.6388	3971108	3.6280	82.4480	0.0000
6	Babcock Borsig Limited	995989	0.9099	90.3624	995989	0.9099	90.3624	0.0000
7	United Machine Co Ltd	129927	0.1187	0.0000	129927	0.1187	0.0000	0.0000
8	Zen Industrial Services Limited	85366	0.0780	0.0000	85366	0.0780	0.0000	0.0000
9	Kilburn Engineering Ltd	66666	0.0609	0.0000	66666	0.0609	0.0000	0.0000
10	Ichamati Investments Ltd	56710	0.0518	0.0000	56710	0.0518	0.0000	0.0000
11	Deepak Khaitan (HUF)	43200	0.0395	0.0000	43200	0.0395	0.0000	0.0000
12	B M Khaitan	36288	0.0332	0.0000	36288	0.0332	0.0000	0.0000
13	Yashodhara Khaitan	13395	0.0122	0.0000	23395	0.0214	0.0000	74.6547
14	Aditya Khaitan	7272	0.0066	0.0000	17272	0.0158	0.0000	137.5138
15	Amritanshu Khaitan	7533	0.0069	0.0000	15000	0.0137	0.0000	99.1239
16	Estate of Deepak Khaitan*	11818	0.0108	0.0000	11818	0.0108	0.0000	0.0000
17	Nitya Holdings & Properties Ltd	10000	0.0091	0.0000	10000	0.0091	0.0000	0.0000
18	Isha Khaitan	0	0.0000	0.0000	7500	0.0069	0.0000	100.0000
19	Dufflaghur Investments Limited	3030	0.0028	0.0000	3030	0.0028	0.0000	0.0000
20	Kavita Khaitan	2200	0.0020	0.0000	2200	0.0020	0.0000	0.0000
21	Estate of Shanti Khaitan*	300	0.0003	0.0000	300	0.0003	0.0000	0.0000
22	Eveready Industries India Limited	40	0.0000	0.0000	40	0.0000	0.0000	0.0000
	<b>Total</b>	<b>50068013</b>	<b>45.7427</b>	<b>11.7134</b>	<b>54609781</b>	<b>49.8921</b>	<b>19.3457</b>	<b>9.0712</b>

\* The transmission of shares is in process.

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Dufflaghur Investments Limited				
	01-04-2015	3030	0.0028		
	31-03-2016	3030	0.0028	3030	0.0028
2	Eveready Industries India Limited				
	01-04-2015	40	0.0000		
	31-03-2016	40	0.0000	40	0.0000
3	Ichamati Investments Ltd				
	01-04-2015	56710	0.0518		
	31-03-2016	56710	0.0518	56710	0.0518
4	United Machine Co Ltd				
	01-04-2015	129927	0.1187		
	31-03-2016	129927	0.1187	129927	0.1187
5	Williamson Magor & Co Limited				
	01-04-2015	11660946	10.6536		
	31-03-2016	11660946	10.6536	11660946	10.6536
6	Woodside Parks Limited				
	01-04-2015	0	0.0000		
	31/03/2016 - Transfer (Increase)	4506801	4.1175	4506801	4.1175
	31-03-2016	4506801	4.1175	4506801	4.1175
7	Williamson Financial Services Limited				
	01-04-2015	5898725	5.3891		
	31-03-2016	5898725	5.3891	5898725	5.3891
8	Zen Industrial Services Limited				
	01-04-2015	85366	0.0780		
	31-03-2016	85366	0.0780	85366	0.0780
9	Babcock Borsig Limited				
	01-04-2015	995989	0.9099		
	31-03-2016	995989	0.9099	995989	0.9099
10	Kilburn Engineering Ltd				
	01-04-2015	66666	0.0609		
	31-03-2016	66666	0.0609	66666	0.0609
11	Bishnauth Investments Limited				
	01-04-2015	3971108	3.6280		
	31-03-2016	3971108	3.6280	3971108	3.6280
12	Nitya Holdings & Properties (P) Ltd				
	01-04-2015	10000	0.0091		
	31-03-2016	10000	0.0091	10000	0.0091
13	Deepak Khaitan (HUF)				
	01-04-2015	43200	0.0395		
	31-03-2016	43200	0.0395	43200	0.0395
14	Kamal Baheti (Trustee-Borelli Tea Holdings Ltd)				
	01-04-2015	27067500	24.7292		
	31-03-2016	27067500	24.7292	27067500	24.7292
15	Shanti Khaitan				
	01-04-2015	300	0.0003		
	31-03-2016	300	0.0003	300	0.0003
16	Yashodhara Khaitan				
	01-04-2015	13395	0.0122		
	28/08/2015 - Transfer (Increase)	10000	0.0091	23395	0.0214
	31-03-2016	23395	0.0214	23395	0.0214

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
17	Aditya Khaitan				
	01-04-2015	7272	0.0066		
	28/08/2015 - Transfer (Increase)	10000	0.0091	17272	0.0158
	31-03-2016	17272	0.0158	17272	0.0158
18	# Estate of Deepak Khaitan				
	01-04-2015	11818	0.0108		
	31-03-2016	11818	0.0108	11818	0.0108
19	Kavita Khaitan				
	01-04-2015	2200	0.0020		
	31-03-2016	2200	0.0020	2200	0.0020
20	B M Khaitan				
	01-04-2015	36288	0.0332		
	31-03-2016	36288	0.0332	36288	0.0332
21	Amritanshu Khaitan				
	01-04-2015	7533	0.0069		
	28/08/2015 - Transfer (Increase)	7467	0.0068	15000	0.0137
	31-03-2016	15000	0.0137	15000	0.0137
22	Isha Khaitan				
	01-04-2015	0	0.0000		
	04/09/2015 - Transfer (Increase)	7500	0.0069	7500	0.0069
	31-03-2016	7500	0.0069	7500	0.0069

\* The transmission of shares in terms of the WILL of Mr. Deepak Khaitan which is yet to be probated, is in process

# The transmission of shares in terms of the WILL of Mrs. Shanti Khaitan which is yet to be probated, is in process

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	IDFC Classic Equity Fund				
	01-04-2015	6743178	6.1606		
	10/04/2015 - Transfer (Increase)	60790	0.0555	6803968	6.2162
	17/04/2015 - Transfer (Increase)	242551	0.2216	7046519	6.4378
	24/04/2015 - Transfer (Increase)	125762	0.1149	7172281	6.5527
	01/05/2015 - Transfer (Increase)	40852	0.0373	7213133	6.5900
	08/05/2015 - Transfer (Increase)	30095	0.0275	7243228	6.6175
	15/05/2015 - Transfer (Increase)	117761	0.1076	7360989	6.7251
	22/05/2015 - Transfer (Increase)	105506	0.0964	7466495	6.8215
	29/05/2015 - Transfer (Increase)	1935	0.0018	7468430	6.8232
	05/06/2015 - Transfer (Increase)	163857	0.1497	7632287	6.9729
	12/06/2015 - Transfer (Increase)	124518	0.1138	7756805	7.0867
	19/06/2015 - Transfer (Increase)	82733	0.0756	7839538	7.1623
	28/08/2015 - Transfer (Decrease)	-30358	0.0277	7809180	7.1346
	04/09/2015 - Transfer (Decrease)	-99721	0.0911	7709459	7.0434
	11/09/2015 - Transfer (Decrease)	-94921	0.0867	7614538	6.9567
	27/11/2015 - Transfer (Decrease)	-120000	0.1096	7494538	6.8471
	15/01/2016 - Transfer (Increase)	105462	0.0964	7600000	6.9434
	31-03-2016	7600000	6.9434	7600000	6.9434
2	Edgbaston Asian Equity Trust *				
	01-04-2015	171950	0.1571		
	10/04/2015 - Transfer (Increase)	2471	0.0023	174421	0.1594
	17/04/2015 - Transfer (Increase)	302947	0.2768	477368	0.4361
	24/04/2015 - Transfer (Increase)	181363	0.1657	658731	0.6018
	01/05/2015 - Transfer (Increase)	145529	0.1330	804260	0.7348
	08/05/2015 - Transfer (Increase)	111145	0.1015	915405	0.8363

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	15/05/2015 - Transfer (Increase)	324370	0.2963	1239775	1.1327
	22/05/2015 - Transfer (Increase)	314765	0.2876	1554540	1.4202
	29/05/2015 - Transfer (Increase)	106205	0.0970	1660745	1.5173
	05/06/2015 - Transfer (Increase)	221503	0.2024	1882248	1.7196
	12/06/2015 - Transfer (Increase)	221173	0.2021	2103421	1.9217
	26/06/2015 - Transfer (Increase)	210447	0.1923	2313868	2.1140
	03/07/2015 - Transfer (Increase)	3695	0.0034	2317563	2.1174
	24/07/2015 - Transfer (Increase)	38753	0.0354	2356316	2.1528
	31/07/2015 - Transfer (Increase)	208284	0.1903	2564600	2.3430
	07/08/2015 - Transfer (Increase)	214205	0.1957	2778805	2.5387
	04/09/2015 - Transfer (Increase)	121758	0.1112	2900563	2.6500
	18/09/2015 - Transfer (Increase)	24153	0.0221	2924716	2.6721
	30/09/2015 - Transfer (Increase)	125460	0.1146	3050176	2.7867
	09/10/2015 - Transfer (Increase)	416978	0.3810	3467154	3.1676
	16/10/2015 - Transfer (Increase)	109923	0.1004	3577077	3.2681
	23/10/2015 - Transfer (Increase)	401558	0.3669	3978635	3.6349
	15/01/2016 - Transfer (Increase)	82236	0.0751	4060871	3.7101
	05/02/2016 - Transfer (Increase)	70487	0.0644	4131358	3.7745
	19/02/2016 - Transfer (Increase)	67008	0.0612	4198366	3.8357
	04/03/2016 - Transfer (Increase)	304520	0.2782	4502886	4.1139
	31-03-2016	4502886	4.1139	4502886	4.1139
3	ICICI Prudential Blended Plan - Plan A				
	01-04-2015	4681345	4.2769		
	17/04/2015 - Transfer (Decrease)	-120170	0.1098	4561175	4.1671
	24/04/2015 - Transfer (Decrease)	-39152	0.0358	4522023	4.1314
	22/05/2015 - Transfer (Decrease)	-34599	0.0316	4487424	4.0998
	05/06/2015 - Transfer (Decrease)	-44441	0.0406	4442983	4.0592
	07/08/2015 - Transfer (Increase)	69000	0.0630	4511983	4.1222
	21/08/2015 - Transfer (Increase)	346307	0.3164	4858290	4.4386
	28/08/2015 - Transfer (Increase)	592067	0.5409	5450357	4.9795
	18/09/2015 - Transfer (Decrease)	-69000	0.0630	5381357	4.9165
	06/11/2015 - Transfer (Increase)	81000	0.0740	5462357	4.9905
	18/03/2016 - Transfer (Decrease)	-1331274	1.2163	4131083	3.7742
	25/03/2016 - Transfer (Decrease)	-226601	0.2070	3904482	3.5672
	31-03-2016	3904482	3.5672	3904482	3.5672
4	L and T Mutual Fund Trustee Ltd-L and T Equity Fund *				
	01-04-2015	0	0.0000		
	07/08/2015 - Transfer (Increase)	31000	0.0283	31000	0.0283
	30/10/2015 - Transfer (Decrease)	-200	0.0002	30800	0.0281
	15/01/2016 - Transfer (Increase)	1409183	1.2874	1439983	1.3156
	22/01/2016 - Transfer (Increase)	1055346	0.9642	2495329	2.2798
	29/01/2016 - Transfer (Increase)	308051	0.2814	2803380	2.5612
	05/02/2016 - Transfer (Increase)	367653	0.3359	3171033	2.8971
	12/02/2016 - Transfer (Increase)	79990	0.0731	3251023	2.9702
	19/02/2016 - Transfer (Increase)	125000	0.1142	3376023	3.0844
	11/03/2016 - Transfer (Increase)	70000	0.0640	3446023	3.1483
	31/03/2016 - Transfer (Increase)	170956	0.1562	3616979	3.3045
5	Government Pension Fund Global				
	01-04-2015	2709186	2.4751		
	10/04/2015 - Transfer (Increase)	3029	0.0028	2712215	2.4779
	04/09/2015 - Transfer (Increase)	379078	0.3463	3091293	2.8242
	11/09/2015 - Transfer (Increase)	211838	0.1935	3303131	3.0178
	31-03-2016	3303131	3.0178	3303131	3.0178

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
6	M&G Asian Fund				
	01-04-2015	2168477	1.9811		
	31-03-2016	2168477	1.9811	2168477	1.9811
7	Merrill Lynch Capital Markets Espana S.A. S.V.				
	01-04-2015	3034675	2.7725		
	10/04/2015 - Transfer (Increase)	16827	0.0154	3051502	2.7879
	17/04/2015 - Transfer (Increase)	9000	0.0082	3060502	2.7961
	24/04/2015 - Transfer (Increase)	1000	0.0009	3061502	2.7970
	22/05/2015 - Transfer (Decrease)	-8000	0.0073	3053502	2.7897
	29/05/2015 - Transfer (Decrease)	-14000	0.0128	3039502	2.7769
	12/06/2015 - Transfer (Decrease)	-54000	0.0493	2985502	2.7276
	26/06/2015 - Transfer (Decrease)	-41505	0.0379	2943997	2.6897
	03/07/2015 - Transfer (Increase)	13000	0.0119	2956997	2.7016
	10/07/2015 - Transfer (Increase)	24991	0.0228	2981988	2.7244
	31/07/2015 - Transfer (Decrease)	-10746	0.0098	2971242	2.7146
	07/08/2015 - Transfer (Decrease)	-58339	0.0533	2912903	2.6613
	14/08/2015 - Transfer (Decrease)	-24582	0.0225	2888321	2.6388
	21/08/2015 - Transfer (Decrease)	-1567	0.0014	2886754	2.6374
	28/08/2015 - Transfer (Decrease)	-36942	0.0338	2849812	2.6036
	30/09/2015 - Transfer (Decrease)	-160629	0.1468	2689183	2.4569
	09/10/2015 - Transfer (Decrease)	-64890	0.0593	2624293	2.3976
	30/10/2015 - Transfer (Increase)	18000	0.0164	2642293	2.4140
	18/03/2016 - Transfer (Decrease)	-34505	0.0315	2607788	2.3825
	31/03/2016 - Transfer (Decrease)	-528000	0.4824	2079788	1.9001
8	LSV Emerging Markets Equity Fund LP				
	01-04-2015	1258547	1.1498		
	31-03-2016	1258547	1.1498	1258547	1.1498
9	The Edgbaston Asian Equity (Jersey) Trust *				
	01-04-2015	41656	0.0381		
	10/04/2015 - Transfer (Increase)	1414	0.0013	43070	0.0393
	17/04/2015 - Transfer (Increase)	71638	0.0654	114708	0.1048
	24/04/2015 - Transfer (Increase)	64997	0.0594	179705	0.1642
	01/05/2015 - Transfer (Increase)	33972	0.0310	213677	0.1952
	08/05/2015 - Transfer (Increase)	27941	0.0255	241618	0.2207
	15/05/2015 - Transfer (Increase)	68668	0.0627	310286	0.2835
	22/05/2015 - Transfer (Increase)	76569	0.0700	386855	0.3534
	29/05/2015 - Transfer (Increase)	25789	0.0236	412644	0.3770
	05/06/2015 - Transfer (Increase)	62752	0.0573	475396	0.4343
	12/06/2015 - Transfer (Increase)	54807	0.0501	530203	0.4844
	26/06/2015 - Transfer (Increase)	52141	0.0476	582344	0.5320
	03/07/2015 - Transfer (Increase)	17860	0.0163	600204	0.5484
	31/07/2015 - Transfer (Increase)	52748	0.0482	652952	0.5965
	07/08/2015 - Transfer (Increase)	80397	0.0735	733349	0.6700
	04/09/2015 - Transfer (Increase)	2405	0.0022	735754	0.6722
	30/09/2015 - Transfer (Increase)	22437	0.0205	758191	0.6927
	09/10/2015 - Transfer (Increase)	105100	0.0960	863291	0.7887
	16/10/2015 - Transfer (Increase)	27038	0.0247	890329	0.8134
	23/10/2015 - Transfer (Increase)	127676	0.1166	1018005	0.9301
	05/02/2016 - Transfer (Increase)	21877	0.0200	1039882	0.9500
	19/02/2016 - Transfer (Increase)	27920	0.0255	1067802	0.9756
	04/03/2016 - Transfer (Increase)	74157	0.0678	1141959	1.0433
	31-03-2016	1141959	1.0433	1141959	1.0433

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
10	General Insurance Corporation of India *				
	01-04-2015	1000000	0.9136		
	31-03-2016	1000000	0.9136	1000000	0.9136
11	Credit Suisse (Singapore) Limited*				
	01-04-2015	1567220	1.4318		
	10/04/2015 - Transfer (Decrease)	-1956	0.0018	1565264	1.4300
	01/05/2015 - Transfer (Decrease)	-5000	0.0046	1560264	1.4255
	08/05/2015 - Transfer (Decrease)	-36497	0.0333	1523767	1.3921
	15/05/2015 - Transfer (Decrease)	-21526	0.0197	1502241	1.3725
	29/05/2015 - Transfer (Decrease)	-26000	0.0238	1476241	1.3487
	05/06/2015 - Transfer (Decrease)	-178000	0.1626	1298241	1.1861
	12/06/2015 - Transfer (Decrease)	-5000	0.0046	1293241	1.1815
	26/06/2015 - Transfer (Decrease)	-323006	0.2951	970235	0.8864
	30/06/2015 - Transfer (Decrease)	-9805	0.0090	960430	0.8775
	10/07/2015 - Transfer (Decrease)	-107048	0.0978	853382	0.7797
	17/07/2015 - Transfer (Decrease)	-70594	0.0645	782788	0.7152
	24/07/2015 - Transfer (Decrease)	-73374	0.0670	709414	0.6481
	31/07/2015 - Transfer (Decrease)	-182282	0.1665	527132	0.4816
	07/08/2015 - Transfer (Decrease)	-400538	0.3659	126594	0.1157
	14/08/2015 - Transfer (Decrease)	-125974	0.1151	620	0.0006
	28/08/2015 - Transfer (Increase)	380	0.0003	1000	0.0009
	23/10/2015 - Transfer (Decrease)	-1000	0.0009	0	0.0000
	30/10/2015 - Transfer (Increase)	782	0.0007	782	0.0007
	06/11/2015 - Transfer (Increase)	632	0.0006	1414	0.0013
	04/12/2015 - Transfer (Increase)	96800	0.0884	98214	0.0897
	08/01/2016 - Transfer (Increase)	160120	0.1463	258334	0.2360
	15/01/2016 - Transfer (Increase)	24680	0.0225	283014	0.2586
	22/01/2016 - Transfer (Decrease)	-169400	0.1548	113614	0.1038
	19/02/2016 - Transfer (Decrease)	-22000	0.0201	91614	0.0837
	26/02/2016 - Transfer (Decrease)	-24410	0.0223	67204	0.0614
	04/03/2016 - Transfer (Decrease)	-56956	0.0520	10248	0.0094
	31-03-2016	10248	0.0094	10248	0.0094
12	Stichting Pensioenfonds ABP *				
	01-04-2015	2142783	1.9577		
	21/08/2015 - Transfer (Decrease)	-2142783	1.9577	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
13	CLSA (Mauritius) Limited *				
	01-04-2015	2059277	1.8814		
	01/05/2015 - Transfer (Decrease)	-93993	0.0859	1965284	1.7955
	08/05/2015 - Transfer (Decrease)	-242053	0.2211	1723231	1.5744
	15/05/2015 - Transfer (Decrease)	-150010	0.1371	1573221	1.4373
	22/05/2015 - Transfer (Decrease)	-735381	0.6719	837840	0.7655
	05/06/2015 - Transfer (Decrease)	-837840	0.7655	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
14	Pictet Agriculture #				
	01-04-2015	1385175	1.2655		
	10/04/2015 - Transfer (Increase)	27620	0.0252	1412795	1.2907
	17/04/2015 - Transfer (Increase)	11713	0.0107	1424508	1.3014
	24/04/2015 - Transfer (Decrease)	-11666	0.0107	1412842	1.2908
	01/05/2015 - Transfer (Decrease)	-21886	0.0200	1390956	1.2708
	08/05/2015 - Transfer (Decrease)	-11513	0.0105	1379443	1.2603
	15/05/2015 - Transfer (Increase)	11588	0.0106	1391031	1.2709
	22/05/2015 - Transfer (Increase)	8001	0.0073	1399032	1.2782
	12/06/2015 - Transfer (Increase)	11332	0.0104	1410364	1.2885

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	26/06/2015 - Transfer (Increase)	16316	0.0149	1426680	1.3034
	17/07/2015 - Transfer (Decrease)	-6615	0.0060	1420065	1.2974
	31/07/2015 - Transfer (Decrease)	-19297	0.0176	1400768	1.2798
	07/08/2015 - Transfer (Decrease)	-271773	0.2483	1128995	1.0315
	14/08/2015 - Transfer (Decrease)	-94623	0.0864	1034372	0.9450
	30/09/2015 - Transfer (Decrease)	-625672	0.5716	408700	0.3734
	09/10/2015 - Transfer (Decrease)	-408700	0.3734	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
15	Reliance Capital Trustee Co Ltd-A/C Reliance Mid & Small Cap Fund				
	01-04-2015	1187159	1.0846		
	10/04/2015 - Transfer (Increase)	18	0.0000	1187177	1.0846
	17/04/2015 - Transfer (Decrease)	-157	0.0001	1187020	1.0845
	01/05/2015 - Transfer (Increase)	6	0.0000	1187026	1.0845
	15/05/2015 - Transfer (Decrease)	-18	0.0000	1187008	1.0845
	22/05/2015 - Transfer (Decrease)	-5	0.0000	1187003	1.0845
	24/07/2015 - Transfer (Decrease)	-6	0.0000	1186997	1.0845
	14/08/2015 - Transfer (Increase)	8	0.0000	1187005	1.0845
	11/09/2015 - Transfer (Increase)	14	0.0000	1187019	1.0845
	18/09/2015 - Transfer (Increase)	100000	0.0914	1287019	1.1758
	30/09/2015 - Transfer (Decrease)	-92	0.0001	1286927	1.1758
	09/10/2015 - Transfer (Increase)	39	0.0000	1286966	1.1758
	23/10/2015 - Transfer (Increase)	7	0.0000	1286973	1.1758
	30/10/2015 - Transfer (Decrease)	-4	0.0000	1286969	1.1758
	13/11/2015 - Transfer (Increase)	3	0.0000	1286972	1.1758
	04/12/2015 - Transfer (Decrease)	-86	0.0001	1286886	1.1757
	11/12/2015 - Transfer (Decrease)	-52312	0.0478	1234574	1.1279
	31/12/2015 - Transfer (Decrease)	-684574	0.6254	550000	0.5025
	22/01/2016 - Transfer (Decrease)	-107800	0.0985	442200	0.4040
	29/01/2016 - Transfer (Decrease)	-413600	0.3779	28600	0.0261
	12/02/2016 - Transfer (Decrease)	-28600	0.0261	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
16	Investeringsforeningen Bankinvest, Asien				
	01-04-2015	1070900	0.9784		
	04/12/2015 - Transfer (Decrease)	-84316	0.0770	986584	0.9014
	11/12/2015 - Transfer (Decrease)	-390584	0.3568	596000	0.5445
	22/01/2016 - Transfer (Decrease)	-75000	0.0685	521000	0.4760
	05/02/2016 - Transfer (Decrease)	-160000	0.1462	361000	0.3298
	25/03/2016 - Transfer (Decrease)	-361000	0.3298	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
17	J P Morgan Chase Bank, N.A.				
	01-04-2015	0	0.0000		
	10/04/2015 - Transfer (Increase)	98500	0.0900	98500	0.0900
	17/04/2015 - Transfer (Decrease)	-98500	0.0900	0	0.0000
	01/05/2015 - Transfer (Increase)	33625	0.0307	33625	0.0307
	08/05/2015 - Transfer (Decrease)	-33625	0.0307	0	0.0000
	03/07/2015 - Transfer (Increase)	35000	0.0320	35000	0.0320
	10/07/2015 - Transfer (Decrease)	-35000	0.0320	0	0.0000
	04/12/2015 - Transfer (Increase)	84316	0.0770	84316	0.0770
	11/12/2015 - Transfer (Decrease)	-84316	0.0770	0	0.0000
	22/01/2016 - Transfer (Increase)	48000	0.0439	48000	0.0439
	29/01/2016 - Transfer (Decrease)	-48000	0.0439	0	0.0000
	05/02/2016 - Transfer (Increase)	80000	0.0731	80000	0.0731
	12/02/2016 - Transfer (Decrease)	-80000	0.0731	0	0.0000
	11/03/2016 - Transfer (Increase)	54000	0.0493	54000	0.0493

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	18/03/2016 - Transfer (Increase)	15748	0.0144	69748	0.0637
	25/03/2016 - Transfer (Increase)	1029504	0.9406	1099252	1.0043
	31/03/2016 - Transfer (Decrease)	-1099252	1.0043	0	0.0000
18	Stichting Depository APG Emerging Markets Equity Pool				
	01-04-2015	0	0.0000		
	21/08/2015 - Transfer (Increase)	2142783	1.9577	2142783	1.9577
	08/01/2016 - Transfer (Decrease)	-129691	0.1185	2013092	1.8392
	15/01/2016 - Transfer (Decrease)	-500000	0.4568	1513092	1.3824
	11/03/2016 - Transfer (Decrease)	-131309	0.1200	1381783	1.2624
	18/03/2016 - Transfer (Decrease)	-69748	0.0637	1312035	1.1987
	25/03/2016 - Transfer (Decrease)	-1312035	1.1987	0	0.0000
	31-03-2016	0	0.0000	0	0.0000

\* Not in the list of Top 10 shareholders as on 01/04/2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2016.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2015.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	B M Khaitan				
	01-04-2015	36288	0.0332		
	31-03-2016	36288	0.0332	36288	0.0332
2	Aditya Khaitan				
	01-04-2015	7272	0.0066		
	28/08/2015 - Transfer (Increase)	10000	0.0091	17272	0.0158
	31-03-2016	17272	0.0158	17272	0.0158
3	Amritanshu Khaitan				
	01-04-2015	7533	0.0069		
	28/08/2015 - Transfer (Increase)	7467	0.0068	15000	0.0137
	31-03-2016	15000	0.0137	15000	0.0137
4	Bharat Bajoria				
	01-04-2015	1800	0.0016		
	31-03-2016	1800	0.0016	1800	0.0016
5	Ranabir Sen				
	01-04-2015	133	0.0001		
	31-03-2015	133	0.0001	133	0.0001
6	Padam Kumar Khaitan				
	01-04-2015	1500	0.0014		
	31-03-2016	1500	0.0014	1500	0.0014
7	Rajeev Takru				
	01-04-2015	900	0.0008		
	31-03-2016	900	0.0008	900	0.0008
8	Azam Monem				
	01-04-2015	500	0.0005		
	31-03-2016	500	0.0005	500	0.0005
9	Kamal Kishore Baheti				
	01-04-2015	5100	0.0046		
	31-03-2016	5100	0.0046	5100	0.0046
10	A Guha Sarkar				
	01-04-2015	650	0.0005		
	31-03-2016	650	0.0005	650	0.0005

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Rs. in Lakhs)
				<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	40437.03	Nil	Nil	40437.03
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	56.91	Nil	Nil	56.91
<b>Total (i+ii+iii)</b>	<b>40493.94</b>	<b>Nil</b>	<b>Nil</b>	<b>40493.94</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	24553.58	Nil	Nil	24553.58
• Reduction	Nil	Nil	Nil	
<b>Net Change</b>	24553.58	Nil	Nil	24553.58
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	65042.79	Nil	Nil	65042.79
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	4.73	Nil	Nil	4.73
<b>Total (i+ii+iii)</b>	<b>65047.52</b>	<b>Nil</b>	<b>Nil</b>	<b>65047.52</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		A. Khaitan	K.K. Baheti	R. Takru	A. Monem	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	496.60	195.64	195.64	195.64	1083.52
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	1.17	1.83	2.35	5.64
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission- as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>496.89</b>	<b>196.81</b>	<b>197.47</b>	<b>197.99</b>	<b>1089.16</b>
	Ceiling as per the Act	10% of the Net Profits calculated u/s 198 of the Act.				

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors							Total Amount
		B.M. Khaitan	R. Srinivasan	R. B. Bajoria	R. Sen	U. Parekh	R. Nirula	Amritanshu Khaitan	
	Independent Directors								
	• Fee for attending board committee meetings		2.4	2.8	3.00	1.4	1.2	1.4	12.2
	• Commission								
	• Others, please specify								
	<b>Total (1)</b>		<b>2.4</b>	<b>2.8</b>	<b>3.00</b>	<b>1.4</b>	<b>1.2</b>	<b>1.4</b>	<b>12.2</b>
	Other Non-Executive Directors								
	• Fee for attending board committee meetings	1.4						1.4	2.8
	• Commission								
	• Others, please specify								
	<b>Total (2)</b>	<b>1.4</b>						<b>1.4</b>	<b>2.8</b>
	<b>Total (B)=(1+2)</b>	<b>1.4</b>	<b>2.4</b>	<b>2.8</b>	<b>3.00</b>	<b>1.4</b>	<b>1.2</b>	<b>1.4</b>	<b>15</b>
	<b>Total Managerial Remuneration (A+B)</b>								<b>1104.16</b>
	Overall Ceiling as per the Act	11% of the Net Profits calculated u/s 198 of the Act. ( Excluding Sitting Fees )							

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	41.29	-	41.29
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1.15	-	1.15
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>42.44</b>	<b>-</b>	<b>42.44</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There was no penalty, punishment or compounding of offences for the year ending 31st March, 2016

For and on behalf of the Board

**A. Khaitan**  
Managing Director

**K.K. Baheti**  
Wholetime Director & CFO

Place: Kolkata

Date: 30th May 2016

# ANNEXURE -VII

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To**  
**The Members,**  
**McLeod Russel India Limited**  
Four Mangoe Lane,  
Surendra Mohan Ghosh Sarani  
Kolkata – 700 001  
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **McLeod Russel India India Limited** having its Registered Office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

### AUDITORS' RESPONSIBILITY

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

**We report that**, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS – 1 and SS-2) as issued by The Institute of Company Secretaries of India and which became effective from 01.07.2015.
- (iii) Listing Agreement with the Stock Exchange.

- (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Food Safety and Standards Act, 2006
2. Tea Act, 1953
3. Tea Waste Control Order, 1959
4. Tea (Marketing) Control Order, 2003
5. Tea (Distribution & Export) Control Order, 2005
6. Plant Protection Code (Formulated by Tea Board of India)

to the extent of their applicability to the Company during the financial year ended 31.03.2016 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above. However, we have been informed that the Company has already filed the applications with the Central Government on 25.05.2016 for waiver of excess remuneration as paid to the Managing Director and Whole-time Directors during the year under report and the Company has also initiated steps to recover excess remuneration as was paid to the Managing Director and Whole-time Directors during the previous year (2014-2015) as directed by the Central Government in this regard.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company :

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) SEBI (Share Based Employee Benefits) Regulations, 2014
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

**We further report that :**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **A. K. LABH & Co.**

Company Secretaries

**(CS A. K. LABH)**

Practicing Company Secretary

FCS – 4848 / CP No.- 3238

Place: Kolkata

Date: 30th May 2016

# ANNEXURE -VIII

**Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014.**

## (A) CONSERVATION OF ENERGY

The Conservation of energy is a continuous process for the Company and towards this endeavor, the Company has taken various initiatives which includes upgradation and modernization of equipments at various factories. The Company has installed energy efficient Gensets, Water Pumps, VFB Dryers, APFC Panels, Rotor Vane Machines, Conventional Dryers, Wind Driven Fans, Transformers, Withering Troughs, Auto Milling Machines, Auto Chasing Machines, Air Circuit Breakers (ACBs), Boilers and Stabilisers for ACs as a step towards its energy conservation drive.

During the year under review the Company has incurred capital expenditure of Rs. 4577.10 lakhs on various plant and machinery in its tea estates inter alia for conservation of energy. The Company is committed to conserve energy at its various establishments and has explored possibilities to exploit alternative sources of energy as well. The Company is steadily progressing in this endeavor and is hopeful that improvements will be made going forward.

## (B) TECHNOLOGY ABSORPTION

### (i) the efforts made towards technology absorption;

The Company undertakes regular efforts to upgrade and modernise its equipments through adoption of improved technology. During the year, VFB Driers, APFC Panels, Colour Sorters, ACBs, Rotor Vane Machine and other energy efficient as well as technologically advanced machineries were purchased and installed in various factories.

The Company conducts various workshops and interactive group discussions regularly duly complimented by efficient training of staff with specific approach towards development of efficiency.

The Company in its own interest encourages and values innovative achievements of the operating people in the agriculture and manufacture of tea.

The Company also uses Vermicompost, Bio Humic Spray (BHS) and Indigenous Technical Knowledge (ITK) for improving the organic status of the soil.

### (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

The adoption of improved technology, regular upgradation, modernisation of equipments, conducting various workshops and implementation of organic technologies help in improving the yield and quality of tea. The Company is a major exporter of tea from India.

### (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

The Company did not import any technology during the last three financial years.

### (iv) the expenditure incurred on Research and Development.

	(Rs. Lakhs)	
<b>Expenditure on Research &amp; Development</b>	<b>2015-16</b>	<b>2014-15</b>
Capital Expenditure	Nil	Nil
Revenue Expenditure	132.67	131.90
<b>Total</b>	<b>132.67</b>	<b>131.90</b>

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earnings during the year in terms of actual inflows was Rs. 37158.73 Lakhs and the Foreign Exchange outgo during the year in terms of actual outflow was Rs. 736.78 Lakhs.

For and on behalf of the Board

**A. Khaitan**  
Managing Director

**K. K. Baheti**  
Wholetime Director & CFO

Place: Kolkata  
Date: 30th May 2016

# ANNEXURE -IX

## REMUNERATION AND OTHER SPECIFIED PARTICULARS OF EMPLOYEES

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;	Name of the Directors	Ratio of Remuneration of each Director to Median Remuneration for 2015-16	
			All Employees	Executive Grade Employees
<b>Non-Executive Directors</b>				
		Mr. B.M. Khaitan	1.31:1	0.09:1
		Dr. R. Srinivasan	2.24:1	0.16:1
		Mrs. R. Nirula	1.12:1	0.08:1
		Mr. R. Sen	2.80:1	0.20:1
		Mr. B. Bajoria	2.62:1	0.18:1
		Mr. U. Parekh	1.31:1	0.09:1
		Mr. Amritanshu Khaitan	1.31:1	0.09:1
		Mr. Padam Kumar Khaitan	1.31:1	0.09:1
<b>Executive Directors</b>				
		Mr. Aditya Khaitan - Managing Director	464.12:1	32.73:1
		Mr. Rajeev Takru - Whole Time Director	184.45:1	13.01:1
		Mr. Azam Monem - Whole Time Director	184.94:1	13.04:1
		Mr. Kamal Kishore Baheti - Whole Time Director & CFO	183.83:1	12.96:1
ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year	Managing Director: 3.05%, Mr. Rajeev Takru, Wholetime Director: 1.49%, Company Secretary: 15.54%. No increase in remuneration of other Wholetime Directors and CFO. The Non-executive Directors have only received sitting fees for attending Board/Committee Meetings during 2015-16.		
iii)	The percentage increase in the median remuneration of the employees in the financial year	All Employees - 5.00% Executive Grade Employees - 10.48%		
iv)	The number of permanent employees on the rolls of company as on 31st March 2016:	78968		
v)	The explanation on the relationship between average increase in remuneration and company performance	There was increase of 8.13% in the average of the total remuneration of the employees. The Company's performance in terms of sales turnover was increased by 8.54% and Profit after Tax was decreased by around 76.49%. The average increase in the remuneration of the employees was primarily due to industry wide agreements with the workers' and employees' unions to revise the wages. The performance of the Company in 2015-16 was affected due to substantial increase of salaries and wages and increase in costs of various other inputs. The marginal increase in sale price was not enough to offset the increase in costs.		
vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The aggregate remuneration of the KMPs is 76.82% of the PBT		

(vii) (a) variations in the market capitalisation of the company on the Bombay Stock Exchange, price earnings ratio as at the closing date of the current financial year and previous financial year	Particulars	31st March 2016	31st March 2015	% Change
	Market Capitalisation (in Rs. crores)	2031.50	2617.63	-22%
	Price Earning Ratio	139.55	42.25	230%
(vii) (b) percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	Not Applicable, as the Company did not make any Public Issue.			
(viii) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year is 8.13%. Average percentage increase in the managerial remuneration is 0.91%. The average increase in the managerial remuneration is less than 1% which can be considered to be justified.			
(ix) Comparison of the remuneration of each Key Managerial Personnel against the performance of the company	The Remuneration of KMP as % of PBT are Mr. Aditya Khaitan (Managing Director): 33.73%, Mr. A. Monem (Whole Time Director): 13.44%, Mr. R. Takru (Whole Time Director): 13.41%, Mr. K.K. Baheti (Whole Time Director & CFO):13.36% and Mr. A. Guha Sarkar (Company Secretary): 2.88%.			
(x) The key parameters for any variable component of remuneration availed by the Directors	Allowances to the Executive Directors may vary as approved by the Board based on their and Company's performance. Commission is paid to the Non-Executive Directors as approved by the Board based on the performance of the Company.			
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	During the financial year 2015-16, no employee received remuneration in excess of the highest paid director.			
(xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company.	The remuneration paid during the financial year ended 31st March 2016 is in terms of the Remuneration Policy of the Company.			

**Information pursuant to Rule 5(2) of Chapter XIII of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

(I) The following persons were employed throughout the financial year and were in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees:-

Name	Designation	Remuneration received (in Rs. lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (years)	The last employment held	The percentage of equity shares held of the company and if so, name of such Director or Manager	Whether any such employee is a relative of any Director or Manager of the company and if so, name of such Director or Manager
A. Khaitan	Managing Director	496.89	Whole time employee	B.Com (Hons); 25 years	01.04.2005	48	N.A.	0.0158	Mr. B.M. Khaitan – Father
R. Takru	Whole Time Director	197.47	Whole time employee	B.A. (Hons); 41 years	01.04.2005	61	Eveready Industries India Limited, Senior Vice-president	0.0008	No
A. Monem	Whole Time Director	197.99	Whole time employee	B.Com (Hons); 36 years	01.04.2005	56	Eveready Industries India Limited, Senior Vice-president	0.0005	No
K.K. Baheti	Whole Time Director & CFO	196.81	Whole time employee	B.Com (Hons); FCA, ACS, AICWA 27 years	01.04.2005	53	Eveready Industries India Limited, Vice-president	0.0047	No

(II) There was no employee in the Company, whether employed throughout or part of the financial year 2015-16, who has drawn remuneration in excess of that drawn by the Managing Director or Whole Time Directors and holds along with spouse and dependent children not less than two per cent of the equity share capital of the Company.

For and on behalf of the Board

**A. Khaitan**  
Managing Director

**K. K. Baheti**  
Wholetime Director & CFO

Place: Kolkata

Date: 30th May 2016

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
**MCLEOD RUSSEL INDIA LIMITED**

## Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of McLeod Russel India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act

and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

9. We draw your attention to Note 35 to the financial statements regarding total remuneration paid/payable to the managing director and three whole-time directors of the Company aggregating Rs 1089.16 lakhs for the year ended March 31, 2016 which is in excess of the limits specified in Schedule V read with Section 197 of the Companies Act, 2013, and as approved by the shareholders of the Company and for which approval from the Central Government is awaited. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 32;
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**(Prabal Kr. Sarkar)**  
Partner  
Membership Number 52340

Kolkata  
May 30, 2016

# ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the standalone financial statements for the year ended March 31, 2016.

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of McLeod Russel India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

Kolkata  
May 30, 2016

**(Prabal Kr. Sarkar)**  
Partner  
Membership Number 52340

# ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the standalone financial statements as of and for the year ended March 31, 2016.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets. the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all
- (c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company/transferor companies (Refer Note 29 to the financial statements), except for the following :

Particulars	Gross Block (Rs in Lakhs)	Net Block In (Rs in Lakhs)	Remark
Leasehold Land	318.85	286.98	Lease deed yet to be executed in the name of the Company

- ii. The physical verification of inventory, excluding stocks with third parties, have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and/or have been verified with reference to subsequent sale. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loan, to one company covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/unsecured loans to companies (other than above)/firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act.
- (a) In respect of the aforesaid loan, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, service tax, tax deducted at source, cess on green leaf and deposit linked insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, duty of custom, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax, duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Tax deducted at Source, Interest, others	5562.00	2005-06 to 2008-2009 and 2011-2012	Commissioner of Income-tax (Appeals) / The Supreme Court of India.
Finance Act, 1994	Service Tax	131.61	2004-05 to 2007-08	Commissioner (Appeals)/CESTAT
Central Excise Act, 1944	Excise Duty	10.75	1999 to 2003	Commissioner (Appeals)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The Company did not have any dues outstanding to any debenture holders or Government as at the beginning of the year nor did it obtain any such loans during the year.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). However, on an overall basis, the term loans have been applied for the purposes for which they were obtained other than a term loan of Rs 5000 lakhs disbursed towards the year end and out of which Rs 3524.14 lakhs is pending utilization.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. Except for managerial remuneration aggregating Rs. 604.94 lakhs, the managerial remuneration paid/ provided for by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. The Company has applied to the Central Government seeking its approval for waiver of excess remuneration paid.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Prabal Kr. Sarkar**  
Partner

Kolkata  
May 30, 2016

Membership Number 52340

# BALANCE SHEET

AS AT 31ST MARCH, 2016

	Note	31st March 2016		31st March 2015	
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	5472.79		5472.79	
Reserves and Surplus	3	182184.59		183251.30	
			187657.38		188724.09
<b>Non-current Liabilities</b>					
Long - term Borrowings	4	21613.03		12000.00	
Deferred Tax Liabilities (Net)	5	1529.29		2266.72	
Long - term Provisions	6	2975.07	26117.39	3352.95	17619.67
<b>Current Liabilities</b>					
Short-term Borrowings	7	39042.79		25437.04	
Trade Payables	8				
Total outstanding dues of micro enterprises and small enterprises; and			-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11231.92		8806.05	
Other Current Liabilities	9	14186.70		10996.03	
Short-term Provisions	10	8034.65	72496.06	8555.29	53794.41
<b>Total</b>			<b>286270.83</b>		<b>260138.17</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
Tangible Assets	11	162708.86		158884.56	
Intangible Assets	12	2537.81		2894.53	
Capital Work-in-Progress		5894.80	171141.47	4263.15	166042.24
Non-Current Investments	13	23810.61		23926.00	
Long - term Loans and Advances	14	11284.97		14860.24	
Other Non-current Assets	15	195.52	35291.10	195.52	38981.76
<b>Current Assets</b>					
Inventories	16	16601.88		15506.81	
Trade Receivables	17	5843.24		6565.31	
Cash and Bank Balances	18	991.95		787.65	
Short-term Loans and Advances	19	47285.44		28609.53	
Other Current Assets	20	9115.75	79838.26	3644.87	55114.17
<b>Total</b>			<b>286270.83</b>		<b>260138.17</b>

This is the Balance Sheet referred to in our report of even date

The accompanying notes are an integral part of these Financial Statements

For **PRICE WATERHOUSE**  
 Firm Registration Number 301112E  
 Chartered Accountants

For and on behalf of the Board of Directors

**Prabal Kr. Sarkar**  
 Partner  
 Membership Number 52340  
 Kolkata, 30th May 2016

**A. Khaitan**  
 Managing Director

**K. K. Baheti**  
 Wholetime Director & CFO

**A. Guha Sarkar**  
 Company Secretary

# PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	Year ended	Year ended
		31st March 2016	31st March 2015
		Rs. Lakhs	Rs. Lakhs
Revenue from Operations	21	150678.55	138829.80
Other Income	22	9640.21	5396.72
<b>Total Revenue</b>		<b>160318.76</b>	<b>144226.52</b>
<b>Expenses:</b>			
Cost of Materials Consumed	23	24885.28	23404.40
Changes in Inventories of Finished Goods	24	(963.43)	(2262.16)
Employee Benefits Expense	25	68271.47	56335.12
Finance Costs	26	10150.51	6609.13
Depreciation and Amortisation Expense	27	6065.64	6026.95
Other Expenses	28	50320.88	48735.97
<b>Total Expenses</b>		<b>158730.35</b>	<b>138849.41</b>
Profit before Exceptional Items and Tax		<b>1588.41</b>	<b>5377.11</b>
Exceptional Item	51	115.39	58.78
Profit before Tax		1473.02	5318.33
Tax expense:	52		
Current Tax		753.11	453.38
Deferred Tax - Charge/(Credit)		(737.43)	(1333.51)
Profit for the Year		<b>1457.34</b>	<b>6198.46</b>
Earnings per Equity Share: [Nominal Value per share : Rs. 5/- (Previous Year : Rs. 5/-)]	39		
- Basic		1.33	5.66
- Diluted		1.33	5.66

This is the Profit and Loss Statement referred to in our report of even date

The accompanying notes are an integral part of these  
Financial Statements

For **PRICE WATERHOUSE**

Firm Registration Number 301112E  
Chartered Accountants

For and on behalf of the Board of Directors

**Prabal Kr. Sarkar**

Partner  
Membership Number 52340  
Kolkata, 30th May 2016

**A. Khaitan**

Managing Director

**K. K. Baheti**

Wholetime Director & CFO

**A. Guha Sarkar**

Company Secretary

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16		2014-15	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax		1473.02		5,318.34
Adjustments for :				
Provision/(write back) in carrying amount of Long -Term Investments		115.39		58.78
Provision for mark-to-market losses on derivatives		128.80		
Provision for bad and doubtful accrued interest no longer required written back		(967.96)		-
Provision for doubtful Loans		-		9.56
Liabilities no longer required written back		(70.35)		(13.35)
Bad Debts written off		-		4.12
Investment written off		-		0.02
Reversal of Impairment Loss		-		(407.36)
Depreciation on Tangible Fixed Assets		5,657.06		6,034.21
Amortisation of Intangible Fixed Assets		408.58		400.10
Loss on Disposal of Fixed Assets (Net)		16.07		76.33
Dividend on Long Term Trade Investments		(560.44)		(1,116.18)
Interest Income		(7,369.35)		(3,754.66)
Interest Expense		9,707.33		6,341.40
Unrealised Foreign Exchange Losses/ (Gains)		(0.28)		50.12
Operating Profit before Working Capital changes		8,537.87		13,001.43
Changes in Working Capital				
Increase in Trade Payables	2,496.22		2,205.32	
Increase in Other Current Liabilities	1,841.46		1,306.31	
Increase in Provision	285.30		411.35	
(Increase) / Decrease in Trade Receivables	722.07		(3,746.14)	
(Increase) in Inventories	(1,095.07)		(2,833.37)	
Decrease in Loans and Advances	1,917.19		3,526.51	
(Increase) / Decrease in Other Current Assets	(88.34)	6078.83	903.76	1,773.74
Cash Generated from operations		14,616.70		14,775.17
Taxes paid (Net of Refunds)		(2,250.47)		(2,523.08)
Net Cash from Operating Activities		12,366.23		12,252.09
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Tangible and Intangible Fixed Assets		(10,831.84)		(12,918.86)
Proceeds from disposal of Tangible Fixed Assets		107.52		111.74
Capital Subsidy Received		81.65		16.13
Loans Recovered /(given)		(16,050.00)		(7,378.07)
Interest Received		2,954.77		3,922.98
Dividend Received		560.44		1,116.18
Net Cash from Investing Activities		(23,177.46)		(15,129.90)

# CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16		2014-15	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-term Borrowings		14,000.00		10,000.00
Proceeds from/(Repayment) of Short-term Borrowings		13,605.75		11,696.93
Repayment of Long-term Borrowings		(3,000.00)		(3,410.00)
Payment towards Unclaimed Fractional Share Sale Proceeds		(0.01)		-
Interest paid		(9,759.51)		(6,410.24)
Dividend paid / Transferred to Investor Education and Protection Fund		(3,273.21)		(7,595.50)
Dividend Tax paid		(557.77)		(1,113.86)
Net cash from financing activities		11,015.25		3,167.33
<b>D. EFFECT OF FOREIGN EXCHANGE DIFFERENCE ON</b>				
Cash and Cash Equivalents		0.28		(0.87)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)		204.30		288.65
Cash and Cash Equivalents at the beginning of the year (Refer Note 18)		787.65		499.00
Cash and Cash Equivalents at the end of the year (Refer Note 18) *		991.95		787.65
Changes in Cash and Cash Equivalents - Increase/ (Decrease)		<b>204.30</b>		<b>288.65</b>
* Includes the following balances which are available for use for specific purposes.				
Unpaid Dividend Account		396.61		386.15
Escrow Accounts/Fractional Share sale Proceeds Account		0.17		0.18

- (a) The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement prescribed under the Companies Act
- (b) Also refer Note 55 to the financial Statements.
- (c) Notes referred to above form an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our report of even date

For **PRICE WATERHOUSE**

Firm Registration Number: 301112E

Chartered Accountants

For and on behalf of the Board of Directors

**Prabal Kr. Sarkar**

Partner

Membership Number 52340

Kolkata, 30th May 2016

**A. Khaitan**

Managing Director

**K. K. Baheti**

Wholetime Director & CFO

**A. Guha Sarkar**

Company Secretary

# NOTES TO FINANCIAL STATEMENTS

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual and prudent basis except for certain tangible fixed assets which are being carried at revalued amounts.

Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current- non current classification of assets and liabilities.

### 1.2 Tangible Fixed Assets

Tangible Fixed Assets are stated at acquisition cost or valuation net of accumulated depreciation and accumulated impairment losses, if any. Cost of extension planting is capitalised. An impairment loss is recognised wherever the carrying amount of the tangible fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 1.3 Intangible Fixed Assets

Intangible Fixed Assets are stated at acquisition cost

net of accumulated amortisation and accumulated impairment losses, if any. An impairment loss is recognised whenever the carrying amount of the intangible fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 1.4 Depreciation and Amortisation

Depreciation on straight line method is provided on book value of tangible fixed assets (other than Estate & Development and Freehold Land) in the manner and on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation. Items of fixed assets for which related actual cost do not exceed Rs. 5000 are fully depreciated in the year of purchase. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

Plant and Equipment: ranging from 7 years to 30 years  
Non-factory Buildings: ranging from 15 years to 70 years

Additional charge of depreciation on amount added on revaluation, hitherto adjusted against Revaluation Reserve, wherever available, is recognised as charge to the Profit and Loss Statement.

Leasehold land is amortised over the period of lease.

Intangible fixed assets are amortised on straight line method over their estimated economic life.

### 1.5 Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary. Gains/ losses on disposal of investments are recognised as income / expenditure.

### 1.6 Inventories

**Inventories are valued as under:**

- Stores and Spare Parts: At lower of cost (determined under weighted average method) and net realisable value.
- Finished Goods: At lower of weighted cost (including

# NOTES TO FINANCIAL STATEMENTS (Contd.)

attributable charges and levies) and net realisable value.

## 1.7 Revenue Recognition

Sale of products is recognised on completion of sale of goods. Sale includes tea claim and is net of sales return, sales tax etc. Other items are recognised on accrual basis.

## 1.8 Employee Benefits

### a. Short Term Employee Benefits:

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

### b. Post Employment Benefit Plans:

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

### c. Other Long Term Employee Benefits (Unfunded):

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Profit and Loss Statement for the period in which they occur. Long term employee benefit obligation

recognised in the Balance Sheet represents the present value of related obligation.

## 1.9 Borrowing Cost

Interest and other costs in connection with the borrowing of funds by the Company are recognised as an expense in the period in which they are incurred unless these are attributable to the acquisition and construction of qualifying assets and added to the cost up to the date when such assets are ready for their intended use.

## 1.10 Research and Development

Revenue expenditure on Research and Development is recognised as a charge to Profit and Loss Statement. Capital expenditure on assets acquired for Research and Development is added to Fixed Assets, if any.

## 1.11 Accounting for Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdiction.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the

# NOTES TO FINANCIAL STATEMENTS (Contd.)

recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 1.12 Transactions in Foreign Currencies

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the Profit and Loss Statement.

## 1.13 Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forward Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements. Any profit or losses arising on cancellation of derivative instruments are recognised as income or expenses for the period.

## 1.14 Government Grants

Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book value.

Government grants related to revenue are recognised in the Profit and Loss Statement.

## 1.15 Provision and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

## 1.16. Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 2 SHARE CAPITAL

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>Authorised</b>		
12,00,00,000 (31.03.2015 - 12,00,00,000) Equity Shares of Rs. 5/- each	6000.00	6000.00
<b>Issued, subscribed and paid-up</b>		
10,94,55,735 (31.03.2015 - 10,94,55,735) Equity Shares of Rs 5/- each fully paid up	5472.79	5472.79
	<b>5472.79</b>	<b>5472.79</b>

(a) Rights, preferences and restrictions attached to Shares

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 5/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of Equity Shares held by shareholders holding more than 5 per cent of the aggregate Equity Shares in the Company

	Number of Equity Shares	Number of Equity Shares
	31st March 2016	31st March 2015
Kamal Baheti (Trustee of Borelli Tea Holdings Limited, U.K.)	27067500 (24.73%)	27067500 (24.73%)
Williamson Magor & Co. Limited	11660946 (10.65%)	11660946 (10.65%)
Williamson Financial Services Limited	5898725 (5.39%)	5898725 (5.39%)
IDFC Premier Equity Fund	-	6425178 (5.87%)
IDFC Monthly Income Plan	7600000 (6.94%)	-

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 3 RESERVES AND SURPLUS

	Rs. Lakhs						
	General Reserve [Refer Note (a) below]	Securities Premium Account	Capital Reserve	Revaluation Reserve [Refer Note 11 (c)]	Other Reserve [Refer Note (b) below]	Surplus in Profit and Loss Statement	Total
<b>Balance at the beginning of the year</b>	80712.34	11053.58	201.68	55839.83	19209.20	16234.67	183251.30
Profit for the year	-	-	-	-	-	1457.34	1457.34
Adjustment on account of depreciation on amount added on Revaluation of Fixed Assets	265.67	-	-	(265.67)	-	-	-
Proposed Dividend	-	-	-	-	-	(2189.11)	(2,189.11)
Tax on Proposed Dividend	-	-	-	-	-	(445.65)	(445.65)
Tax on Proposed Dividend relating to earlier year written back	-	-	-	-	-	110.71	110.71
<b>Balance at the end of the year</b>	<b>80978.01</b>	<b>11053.58</b>	<b>201.68</b>	<b>55574.16</b>	<b>19209.20</b>	<b>15167.96</b>	<b>182184.59</b>

a) Represents a free reserve not meant for any specific purpose.

b) Represents the balance amount of reserve which had arisen on transfer of Bulk Tea Division of Eveready Industries India Limited.

## 4 LONG-TERM BORROWINGS

	31st March 2016		31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>SECURED</b>				
<b>Term Loans from Banks</b>				
<b>ICICI Bank Limited</b>				
	9000.00		10000.00	
Less : Current maturities of long term debts	(2000.00)	7000.00	(1000.00)	9000.00
a) Nature of Security	Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.			
b) Rate of Interest	Interest is payable on monthly basis at base rate plus 0.40% p.a.			
c) Terms of Repayment	Eighteen (31.03.2015 - Twenty) equal quarterly instalments of Rs. 500 Lakhs each.			
<b>Housing Development Finance Corporation Limited</b>				
	5000.00		-	
Less : Current maturities of Long term debt	(386.97)	4613.03	-	-
a) Nature of Security	Secured by mortgage of property at Registered Office, Kolkata and certain tea estates.			
b) Rate of Interest	Interest is payable on monthly basis at HDFC CPLR minus 6.75% p.a.			

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 4 LONG-TERM BORROWINGS (CONTD.)

	31st March 2016		31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
c) Terms of Repayment				
Sixty (31.03.2015 - Nil) equated monthly instalments (including interest) of Rs. 108.46 Lakhs each commencing from 18th October, 2016.				
<b>HDFC Bank Limited</b>	9000.00		-	
Less : Current maturities of long term debts	-	9000.00	-	-
a) Nature of Security				
To be Secured by extension of exclusive charge over certain tea estates as per terms of agreement with bank.				
b) Rate of Interest				
Interest is payable on monthly basis at HDFC bank base rate plus 0.30% p.a.				
c) Terms of Repayment				
Twelve (31.03.2015 - Nil) equal quarterly instalments of Rs. 750 Lakhs each commencing from 31st May, 2017				
<b>HDFC Bank Limited</b>	3000.00		5000.00	
Less : Current maturities of long term debts	(2000.00)	1000.00	(2000.00)	3000.00
a) Nature of Security				
Secured by equitable mortgage of certain tea estates on an exclusive basis.				
b) Rate of Interest				
Interest is payable on quarterly basis at base rate plus 0.05% p.a.				
c) Terms of Repayment				
Six (31.03.2015 - Ten) equal quarterly instalments of Rs. 500 Lakhs each				
		<b>21613.03</b>		<b>12000.00</b>

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 5 DEFERRED TAX LIABILITIES (NET)

	31st March 2016		31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>A. Deferred Tax Liability</b>				
i) Difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per tax laws		6165.82		5956.72
<b>B. Deferred Tax Assets</b>				
i) Losses under Agricultural Income Tax *	1940.84		720.84	
ii) Items allowed for tax purpose on payment	1339.51		1304.91	
iii) Provision for Doubtful Debts, Advances etc.	1356.18	4636.53	1664.25	3690.00
<b>Net Deferred Tax Liabilities (A-B)</b>		<b>1529.29</b>		<b>2266.72</b>

\* Considered to the extent of deferred tax liability against which it can be realised.

## 6 LONG-TERM PROVISIONS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits (Refer Note 31)	2975.07	3352.95
	<b>2975.07</b>	<b>3352.95</b>

## 7 SHORT-TERM BORROWINGS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>Secured Loans repayable on demand from Banks</b>		
Cash Credit, Packing Credit and Demand Loans	39042.79	25437.04
Nature of Security		
Secured / to be secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu and hypothecation of tea crop, movable properties and book-debts, present and future of the Company.		
	<b>39042.79</b>	<b>25437.04</b>

## 8 TRADE PAYABLES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 41); and	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11231.92	8806.05
	<b>11231.92</b>	<b>8806.05</b>

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 9 OTHER CURRENT LIABILITIES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Current maturities of long-term debts	4386.97	3000.00
Interest accrued but not due on borrowings	4.73	56.91
Advances from Customers / Selling Agents	59.41	9.92
Unpaid Dividends [Refer (a) below]	396.61	386.15
Unclaimed Fractional Share Sale Proceeds	0.17	0.18
Deposits Received from Agents	133.09	163.61
Employee Benefits Payable	8373.08	6706.44
Statutory dues (including Provident Fund and Tax deducted at Source)	749.48	593.63
Capital Liabilities	83.16	79.19
	<b>14186.70</b>	<b>10996.03</b>

(a) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end

## 10 SHORT-TERM PROVISIONS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits (Refer Note 31)	2230.74	1567.56
Others		
Provision for Central Income Tax [Net of Advance Tax Rs. 18693.65 lakhs (31.03.2015 - Rs. 17691.36 lakhs)]	2056.35	2023.58
Proposed Dividend	2189.11	3283.67
Provision for Tax on Proposed Dividend	1429.65	1652.48
Provision for Wealth Tax	-	28.00
Provision for mark-to-market losses on derivatives	128.80	-
	<b>8034.65</b>	<b>8555.29</b>

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 11 TANGIBLE FIXED ASSETS

Particulars	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION				NET BLOCK		Rs. in Lakhs		
	As at 31st March, 2015	Additions during the year	Disposal during the year [Refer (a) below]	As at 31st March, 2016	Up to 31st March, 2015 [Refer (d)(i) below]	For the year	On disposal during the year	Adjusted with Reserves during the year [Refer (e) below]	Impairment written back during the year [Refer (d) (ii) below]	Up to 31st March, 2016 [Refer (d)(i) below]		Written down value as at 31st March, 2016	Written down value as at 31st March, 2015
Estate and Development	91346.67	36.71	0.64	91382.74	467.10	-	-	-	-	467.10	90915.64	90879.57	
Land													
- Freehold [Refer (b) below]	4312.32	-	-	4312.32	-	-	-	-	-	-	4312.32	4312.32	
- Leasehold	318.85	-	-	318.85	21.25	10.62	-	-	-	31.87	286.98	297.60	
Buildings	67070.82	4489.18	0.26	71559.74	29436.79	2789.74	0.26	-	-	32226.27	39333.47	37634.03	
Plant and Equipment	47012.62	4578.20	377.88	51212.94	24903.93	2016.24	211.97	-	-	26708.20	24504.74	22108.69	
Furniture and Fixtures	1834.51	139.58	15.69	1958.40	1141.12	145.49	15.61	-	-	1271.00	687.40	693.39	
Vehicles	6561.00	388.67	279.32	6670.35	3860.37	594.77	240.81	-	-	4214.33	2456.02	2700.63	
Office Equipment	557.95	3.22	25.56	535.61	468.97	27.17	25.48	-	-	470.66	64.95	88.98	
Computer	767.97	51.03	19.80	799.20	598.62	73.03	19.79	-	-	651.86	147.34	169.35	
<b>31st March, 2016</b>	<b>219782.71</b>	<b>9686.59</b>	<b>719.15</b>	<b>228750.15</b>	<b>60898.15</b>	<b>5657.06</b>	<b>513.92</b>	<b>-</b>	<b>-</b>	<b>66041.29</b>	<b>162708.86</b>	<b>158884.56</b>	
<b>31st March, 2015</b>	<b>209266.09</b>	<b>11427.78</b>	<b>911.16</b>	<b>219782.71</b>	<b>47892.11</b>	<b>6308.55</b>	<b>706.45</b>	<b>7953.94</b>	<b>550.00</b>	<b>60898.15</b>	<b>158884.56</b>		

a) Includes Capital Subsidy in respect of following Tangible Fixed Assets

- Plant and Equipment - Rs. 81.65 lakhs (31.03.15 - Rs.16.13 lakhs)

b) Represents cost of proportionate share of undivided land pertaining to certain portion of a multistoried building.

c) Pursuant to the schemes of Arrangement/Amalgamation effected in earlier years, certain assets (Estate and Development, Buildings, Plant and Equipment, and Furniture and Fixtures) were taken over at revalued amount and incorporated in the books of account.

d) (i) The opening and closing balance of Depreciation includes an Impairment Loss as set out below:-

	Impairment Loss as at	
	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Estate and Development	456.95	456.95
Buildings	49.14	49.14
Plant and Equipment	13.91	13.91
	<b>520.00</b>	<b>520.00</b>

(ii) During the year 2014-15, reduction in accumulated impairment loss has been given effect in respect of Estate and Development Rs. 399.23 lakhs, Building Rs. 117.52 lakhs and Plant and Equipment Rs.33.25 lakhs aggregating Rs.550.00 lakhs in the nature of reversal of impairment loss by adopting discounted cash flow method (based on value in use considering the discounting factor at 14.00 % in the current estimate and at 8.50 % in the previous estimate) upon improvement in profitability of Bhatpara Tea Estate. Out of this, Rs. 142.64 lakhs was added to Revaluation Reserve and Rs. 407.36 lakhs was subtracted from depreciation for the year 2014-15.

e) Represents the written-down values of those fixed assets whose useful lives have already expired.

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 12 INTANGIBLE FIXED ASSETS

Particulars	GROSS BLOCK AT COST						AMORTISATION			NET BLOCK	
	As at 31st March, 2015	Additions during the year	Disposal during the year	As at 31st March, 2016	Up to 31st March, 2015	For the year	On disposal during the year	Up to 31st March, 2016	Written down value as at 31st March, 2016	Written down value as at 31st March, 2015	
Goodwill	20.44	-	-	20.44	20.44	-	-	20.44	-	-	
Trade Mark [Brand] [Refer (a) below]	5000.00	-	-	5000.00	2562.50	250.00	-	2812.50	2187.50	2437.50	
Computer Software [Refer (b) below]	764.86	51.86	-	816.72	307.83	158.58	-	466.41	350.31	457.03	
<b>31st March, 2016</b>	<b>5785.30</b>	<b>51.86</b>	<b>-</b>	<b>5837.16</b>	<b>2890.77</b>	<b>408.58</b>	<b>-</b>	<b>3299.35</b>	<b>2537.81</b>	<b>2894.53</b>	
<b>31st March, 2015</b>	<b>5689.50</b>	<b>95.80</b>	<b>-</b>	<b>5785.30</b>	<b>2490.67</b>	<b>400.10</b>	<b>-</b>	<b>2890.77</b>	<b>2894.53</b>		

(a) Trade mark (Brand - WM logo), acquired in January 2005, is being amortised under straight line method over a working life of 20 years on prudent basis based on valuation by independent valuer, considering the factors like effective life/utility.

b) Computer Software is being amortised under straight line method over 5 years.

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 13 NON - CURRENT INVESTMENTS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
(valued at cost unless stated otherwise)		
(In Equity Shares of Rs 10 each fully paid, except otherwise stated)		
<b>Trade</b>		
<b>Investments in Equity Instruments - Subsidiaries</b>		
<b>Unquoted</b>		
Borelli Tea Holdings Limited (U.K.)		
362000 Shares (31.03.2015 - 362000 Shares) of GBP 1 each	22936.98	22936.98
<b>Investments in Equity Instruments - Associates</b>		
<b>Unquoted</b>		
D1 Williamson Magor Bio Fuel Limited		
7281201 Shares (31.03.2015 - 7281201 Shares)	34.35	94.35
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 2150.00 lakhs (31.03.2015 - Rs. 2090.00 lakhs)]		
<b>Investments in Equity Instruments - Others</b>		
<b>Quoted</b>		
Murablack India Limited		
500000 Shares (31.03.2015 - 500000 Shares)	*	*
McNally Bharat Engineering Co. Limited		
3052295 Shares (31.03.2015 - 3052295 Shares)	131.25	131.25
Williamson Financial Services Limited		
1666853 Shares (31.03.2015 - 1666853 Shares)	464.22	519.33
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 55.11 lakhs (31.03.2015 - Rs. Nil)]		
Eveready Industries India Limited		
1663289 Shares of Rs. 5/- each (31.03.2015 - 1663289 Shares)	169.66	169.66
Kilburn Engineering Limited		
848168 Shares (31.03.2015 - 848168 Shares)	36.05	36.05
The Standard Batteries Limited		
1003820 Shares of Re. 1/- each (31.03.2015 - 1003820 Shares)	*	*
Kilburn Chemicals Limited		
350200 Shares (31.03.2015 - 350200 Shares)	14.04	14.04
Kilburn Office Automation Limited		
31340 Shares (31.03.2015 - 31340 Shares)	0.99	1.27
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 0.28 lakhs (31.03.2015 - Rs. Nil)]		
<b>Unquoted</b>		
Dewrance Macneill & Co. Limited		
200000 Shares (31.03.2015 - 200000 Shares)	*	*
Kilburn Electricals Limited		
28000 Shares (31.03.2015 - 28000 Shares)	*	*

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 13 NON - CURRENT INVESTMENTS (CONTD.)

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Cosepa Fiscal Industries Limited		
350000 Shares (31.03.2015 - 350000 Shares)	*	*
Delhi Golf & County Club Private Limited		
35750 Shares of Rs.100/- each (31.03.2015 - 35750 Shares)	*	*
ABC Tea Workers Welfare Services Limited		
11067 Shares (31.03.2015 - 11067 Shares)	0.71	0.71
<b>Other Than Trade</b>		
<b>Investments in Equity Instruments - Others</b>		
<b>Quoted</b>		
Suryachakra Seafood Limited		
400000 Shares (31.03.2015 - 400000 Shares)	*	*
<b>Unquoted</b>		
Jalpaiguri Club Limited		
523 Shares (31.03.2015 - 523 Shares)	-	-
Indonilpur Marketing Pvt. Ltd.		
12500 Shares (31.03.2015 - 12500 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1.25 lakhs (31.03.2015 - Rs. 1.25 lakhs)]		
Nilhat Shipping Company Limited		
1000 Shares (31.03.2015 - 1000 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 0.10 lakhs (31.03.2015 - Rs. 0.10 lakhs)]		
Woodlands Multispeciality Hospital Limited		
229610 Shares (31.03.2015 - 229610 Shares)	22.36	22.36
<b>Investments in Preference shares - Others</b>		
<b>Unquoted</b>		
Thakurbari Club Limited		
56 Preference Shares of Rs.100 each (31.03.2015 - 56 Preference Shares)	*	*
CFL Capital Financial Services Ltd.		
1154790 13% Redeemable Cumulative Preference Shares of Rs.100 each (31.03.2015 - 1154790 Preference Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1160.56 lakhs (31.03.2015 - Rs. 1160.56 lakhs)]		
	<b>23810.61</b>	<b>23926.00</b>
* Amount is below the rounding off norm adopted by the Company.		
(a) Aggregate amount of quoted investments	871.60	871.59
Aggregate market value of quoted investments	7345.69	8060.51
Aggregate amount of unquoted investments	26306.31	26306.32
Aggregate provision for diminution in value of investments	3367.30	3251.91

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 14 LONG-TERM LOANS AND ADVANCES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
(Unsecured - considered good unless otherwise stated)		
Capital Advances	771.80	1306.10
Security Deposits	1712.73	1585.66
Deposits with National Bank for Agriculture and Rural Development	4408.59	7082.09
Other Loans and Advances		
MAT Credit Entitlement	3646.36	3924.08
Prepaid Expenses	735.09	951.51
Advances to Suppliers, Service Providers etc.	1217.20	1217.20
Less : Provision for Bad and Doubtful Advances	(1217.20)	(1217.20)
Loans to Others	850.00	850.00
Less : Provision for Bad and Doubtful Loans	(850.00)	(850.00)
Loans to Employees	10.40	10.80
	<b>11284.97</b>	<b>14860.24</b>

## 15 OTHER NON-CURRENT ASSETS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Margin Money Deposit with bank (a)	14.70	14.70
Other Long Term Receivable	180.82	180.82
From Sale of Tea Estates		
Interest Accrued on Loans and Deposits	1316.26	2284.22
Less : Provision for Bad and Doubtful Accrued Interest	(1316.26)	(2284.22)
	<b>195.52</b>	<b>195.52</b>

(a) For issuing Bank Guarantee

## 16 INVENTORIES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
At lower of cost and net realisable value		
Finished Goods (Stock of Tea)	7880.57	6917.14
[including in transit Rs 1234.98 lakhs (31.03.2015 - Rs 303.87 lakhs)]		
Stores and spares	8721.31	8589.67
[including in transit Rs 39.39 lakhs (31.03.2015 - Rs Nil)]		
	<b>16601.88</b>	<b>15506.81</b>

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 17 TRADE RECEIVABLES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Debts outstanding for a period exceeding six months from the date they are due for payment -		
Secured		
- Considered Good	350.00	350.00
Unsecured		
- Considered Doubtful	340.90	340.90
Less: Provision for Doubtful Debts	(340.90)	(340.90)
Other Debts -		
Unsecured		
- Considered Good	5493.24	6215.31
	<b>5843.24</b>	<b>6565.31</b>

## 18 CASH AND BANK BALANCES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>Cash and Cash Equivalents</b>		
Cash on hand	356.81	154.82
Remittance in Transit	24.76	11.00
Balance with banks in Current Accounts	213.60	235.50
Dividend Accounts *	396.61	386.15
Escrow Accounts/Fractional Share Sale Proceeds Account	0.17	0.18
	<b>991.95</b>	<b>787.65</b>

\* Earmarked for payment of unclaimed dividend

- (a) Margin Money Deposit kept with bank for issuing guarantee in favour of Third party has been disclosed under Other Non-Current Assets (Refer Note 15)

## 19 SHORT-TERM LOANS AND ADVANCES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
(Unsecured - considered good unless otherwise stated)		
Loans to Related Parties		
- Subsidiary	3100.00	4400.00
Loans to Others		
Considered Good;	21458.00	4108.00
Considered Doubtful;	248.00	248.00
Less: Provision for Bad and Doubtful Loans	(248.00)	(248.00)
Deposits with National Bank for Agriculture and Rural Development	7500.00	7500.00
Other Loans and Advances		

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 19 SHORT-TERM LOANS AND ADVANCES (CONTD.)

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
MAT Credit Entitlement	-	616.05
Advance Tax - Agricultural Income Tax [Net of Provision Rs. 15069.89 lakhs (31.03.2015 - Rs. 16245.61 lakhs)]	6934.14	5432.01
Advance Tax- Fringe Benefit Tax [Net of Provision Rs. 273.20 lakhs (31.03.2015 - Rs. 273.20 lakhs)]	307.76	307.76
Prepaid Expenses	694.10	715.46
Balance with Excise Authorities	18.71	11.44
Advances for Employee Benefits (Refer Note 31)	2955.37	2048.83
Advances to Employees	704.40	687.36
Advances to Suppliers, Service Providers etc.		
Considered Good	2517.50	1869.13
Considered Doubtful	103.69	103.69
Less: Provision for Bad and Doubtful Advances	(103.69)	(103.69)
Loans to Employees		
Considered Good	201.02	58.58
Considered Doubtful	9.56	9.56
Less: Provision for Bad and Doubtful Loans	(9.56)	(9.56)
Claims Receivable	194.44	154.91
Tax payment under protest (Refer Note 38)	700.00	700.00
	<b>47285.44</b>	<b>28609.53</b>

## 20 OTHER CURRENT ASSETS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
(Unsecured - considered good unless otherwise stated)		
Interest Accrued on Loans and Deposits		
Considered good;	6592.39	1209.85
Considered Doubtful	173.35	173.35
Less: Provision for Doubtful Interest Receivable	(173.35)	(173.35)
Subsidies receivable from Government	1567.72	1483.72
Compensation receivable from Government	44.11	44.11
Accrued duty exemption benefits pertaining to exports	911.53	907.19
	<b>9115.75</b>	<b>3644.87</b>

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 21 REVENUE FROM OPERATIONS

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sale of Product - Tea		148307.86		136770.72
Other Operating Revenues				
Consultancy Fees	159.31		145.40	
Subsidy on Orthodox Tea	82.23		72.68	
Replantation Subsidy	489.10		181.84	
Transport Subsidy	317.99		166.51	
Accrued duty exemption entitlement and other Benefits relating to exports / premium on sale thereof	1322.06		1492.65	
		2370.69		2059.08
		<b>150678.55</b>		<b>138829.80</b>

## 22 OTHER INCOME

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Interest Income (Gross)				
On Deposits	903.24		1129.71	
On Loans	6466.11	7369.35	2624.95	3754.66
Dividend on Long Term Trade Investments				
From Subsidiary Company		543.81		1107.86
From Others		16.63		8.32
Insurance Claims		368.95		162.91
Sundry Income		259.84		230.60
Provision for bad and doubtful accrued interest no longer required written back		967.96		-
Liabilities no longer required written back		70.35		13.35
Net Gain on Foreign Currency Transaction and Translation		43.32		119.02
		<b>9640.21</b>		<b>5396.72</b>

## 23 COST OF MATERIALS CONSUMED

	Year Ended	Year Ended
	31st March 2016	31st March 2015
Green Leaf (purchased and consumed)	24885.28	23404.40
	<b>24885.28</b>	<b>23404.40</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### 24 CHANGES IN INVENTORIES OF FINISHED GOODS

	Year Ended	Year Ended
	31st March 2016	31st March 2015
Stock of Tea at the beginning of the year	6917.14	4654.98
Less: Stock of Tea at the end of the year	7880.57	6917.14
(Increase)/Decrease	<b>(963.43)</b>	<b>(2262.16)</b>

### 25 EMPLOYEE BENEFITS EXPENSE

	Year Ended	Year Ended
	31st March 2016	31st March 2015
Salaries and Wages	54710.04	45380.94
Contribution to Provident and Other Funds	6609.93	5172.19
Labour and Staff Welfare	6951.50	5781.99
	<b>68271.47</b>	<b>56335.12</b>

### 26 FINANCE COSTS

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Interest Expense				
On Fixed Loans	3007.59		1523.07	
Others	6699.74	9707.33	4818.33	6341.40
Other Borrowing Costs		443.18		267.73
		<b>10150.51</b>		<b>6609.13</b>

### 27 DEPRECIATION AND AMORTISATION EXPENSE

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Depreciation on Tangible Fixed Assets	5657.06		6308.55	
Less : Withdrawn on account of Depreciation on amount added on Revaluation of Tangible Fixed Assets	-		(274.34)	
Less : Reversal of Impairment Loss	-	5657.06	(407.36)	5626.85
Amortisation of Intangible Fixed Assets		408.58		400.10
		<b>6065.64</b>		<b>6026.95</b>

In view of withdrawal of Guidance Note on treatment of Reserve created on Revaluation of Fixed Assets by the Institute of Chartered Accountants of India, additional charge of depreciation on amount added on revaluation, hitherto adjusted against Revaluation reserve, wherever available is recognised as charge to the Profit and Loss Statement resulting in depreciation expense for the year ended 31st March, 2016 being higher and profit before tax lower by Rs. 265.67 lakhs.

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 28 OTHER EXPENSES

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Consumption of Stores and Spare Parts		6781.17		6465.35
Consumption of Packing Materials		1393.39		1186.23
Power and Fuel		18483.45		17716.57
Rent		65.15		60.22
Lease Rent		75.00		75.00
Repairs - Buildings		1241.61		1664.40
- Machinery		3400.93		2994.65
- Others		1174.42		1424.03
Insurance		812.83		737.00
Rates and Taxes [including Wealth Tax Rs. Nil (2014-2015 - Rs. 28.00 lakhs)]		382.61		352.78
Cess on Tea		436.37		410.56
Green Leaf Cess		1000.55		959.54
Travelling		1218.14		1255.08
Loss (net) on disposal of Fixed Assets		16.07		76.33
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 54)		26.90		-
Legal and Professional Fees		805.33		919.72
Freight, Shipping and Selling Expenses		7842.21		7252.07
Brokerage on Sales		720.87		714.71
Selling Agents' Commission		710.33		725.38
Bad Debts written off		-		4.12
Investments written off		-		0.02
Security Deposit written off	-		26.25	
Less : Adjusted from provisions	-	-	(26.25)	-
Provision for Doubtful Loans		-		9.56
Provision for mark-to-market losses on derivatives		128.80		-
Miscellaneous Expenses		3604.75		3732.65
		<b>50320.88</b>		<b>48735.97</b>

### 29. SCHEMES OF AMALGAMATION/SCHEME OF ARRANGEMENT GIVEN EFFECT TO IN EARLIER YEARS

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes, such assets and liabilities remain included in the books of the Company under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

### 30. EMPLOYEE BENEFITS:

#### I. Post Employment Defined Contribution Plans:

During the year an amount of Rs 5357.60 lakhs (31st March 2015 - Rs. 4421.04 lakhs) has been recognised

as expenditure towards Defined Contribution plans of the Company.

#### II. Post Employment Defined Benefit Plans:

##### a) Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of

## NOTES TO FINANCIAL STATEMENTS (Contd.)

an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 10.00 lakhs. Vesting occurs upon completion of five years of service.

**b) Superannuation (Funded)**

The Company's Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies /trustees themselves. Benefits under these plans had been frozen in earlier years with regard to salary levels then prevailing. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

**c) Staff Pension – Type A (Funded)**

The Company's Staff Pension Scheme – Type A, a Defined Benefit plan, is administered through a trust fund and covers certain categories of employees. Investments of the fund are managed by Life Insurance Corporation of India. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

**d) Staff Pension – Type B (Unfunded)**

The Company's Staff Pension Scheme – Type B, a Defined Benefit plan, covers certain categories of employees. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

**e) Medical Insurance Premium Re-imbusement (Unfunded)**

The Company has a scheme of re-imbusement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit. The Company has introduced a scheme of re-imbusement of medical expenses to a certain category of employees up to a certain monetary limit. The scheme is in the nature of Defined Benefit plan.

**f) Expatriate Pension (Unfunded)**

The Company has an informal practice of paying pension to certain categories of retired expatriate employees and in certain cases to their surviving spouses. The scheme is in the nature of Defined Benefit plan.

# NOTES TO FINANCIAL STATEMENTS (Contd.)

The following Tables sets forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended 31st March 2016 and corresponding figures for the previous year.

Description	Rs. Lakhs	
	Gratuity Fund	
	Funded	
	2015-2016	2014-2015
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	13166.11	12227.65
Interest Cost	982.98	919.78
Current Service Cost	1246.88	1216.63
Past Service Cost	-	-
Benefits Paid	(1757.60)	(1460.86)
Actuarial loss/(gain) on obligation	(350.38)	262.91
Present Value of obligation at the end of the year	13287.99	13166.11
<b>Changes in the fair value of plan assets during the year ended 31st March</b>		
Fair Value of Plan Assets at the beginning of the year	14217.72	13094.08
Expected Return on Plan Assets	1137.40	1047.53
Contributions	1757.60	810.25
Benefits Paid	(1757.60)	(1460.86)
Actuarial gain/(loss) on Plan Assets	(248.81)	726.72
Fair Value of Plan Assets at the end of the year	15106.31	14217.72
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	13287.99	13166.11
Fair Value of Plan Assets at end of the year	15106.31	14217.72
Net Asset/(Liability) Recognised in Balance Sheet	1818.32	1051.61
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	1246.88	1216.63
Past Service Cost	-	-
Interest Cost	982.98	919.78
Expected Return on Plan Assets	(1137.40)	(1047.53)
Actuarial loss/(gain) recognised in the year	(101.57)	(463.81)
Expense Recognised in Profit and Loss Statement	@ 990.89	@ 625.07
@ included in Contribution to Provident and Other Funds (Note 25)		
<b>Category of Plan Assets</b>		
Investments in Bonds and Special Deposit	31.20	31.13
Investments with Life Insurance Corporation of India	2492.81	2289.43
Investments with other Insurance Companies	12514.22	11730.63
Others including Bank Balances	68.08	166.53
<b>Total</b>	<b>15106.31</b>	<b>14217.72</b>
Actual Return on Plan Assets	888.59	1774.25
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00
Inflation Rate (%)	5.00	5.00
Return on Asset (%)	8.00	8.00

# NOTES TO FINANCIAL STATEMENTS (Contd.)

Description	Rs. Lakhs	
	Superannuation Fund	
	Funded	
	2015-2016	2014-2015
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	1558.19	1692.51
Interest Cost	120.31	129.56
Current Service Cost	-	-
Benefits Paid	(108.73)	(146.01)
Actuarial loss/(gain) on obligation	(106.29)	(117.87)
Present Value of obligation at the end of the year	1463.48	1558.19
<b>Changes in the fair value of plan assets during the year ended 31st March</b>		
Fair Value of Plan Assets at the beginning of the year	2555.41	2405.63
Expected Return on Plan Assets	204.43	192.45
Contributions	3.80	3.82
Benefits Paid	(108.73)	(146.01)
Actuarial gain/(loss) on Plan Assets	(54.38)	99.52
Fair Value of Plan Assets at the end of the year	2600.53	2555.41
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	1463.48	1558.19
Fair Value of Plan Assets at end of the year	2600.53	2555.41
Net Asset/(Liability) Recognised in Balance Sheet	1137.05	997.22
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	-	-
Interest Cost	120.31	129.56
Expected Return on Plan Assets	(204.43)	(192.45)
Actuarial loss/(gain) recognised in the year	(51.91)	(217.39)
Expense Recognised in Profit and Loss Statement	@ (136.03)	@ (280.28)
@ Included in Contribution to Provident and other Funds (Note 25)		
<b>Category of Plan Assets</b>		
Investments in Bonds and Special Deposit	38.32	38.33
Investments with Life Insurance Corporation of India	154.50	169.09
Investments with other Insurance Companies	2397.16	2338.36
Others including Bank Balances	10.55	9.63
<b>Total</b>	<b>2600.53</b>	<b>2555.41</b>
Actual Return on Plan Assets	150.05	291.97
Principal Actuarial Assumptions		
Discount Rate (%)	8.00	8.00
Return on Asset (%)	8.00	8.00

# NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Description	Staff Pension Fund Type A	
	Funded	
	2015-2016	2014-2015
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	432.25	403.31
Interest Cost	31.18	32.25
Current Service Cost	72.32	68.06
Benefits Paid	(84.91)	(0.26)
Actuarial loss/(gain) on obligation	(30.69)	(71.11)
Present Value of obligation at the end of the year	420.15	432.25
<b>Changes in the fair value of plan assets during the year ended 31st March</b>		
Fair Value of Plan Assets at the beginning of the year	114.21	104.78
Expected Return on Plan Assets	9.16	8.38
Contributions	-	0.26
Benefits Paid	(84.91)	(0.26)
Actuarial gain/(loss) on Plan Assets	(1.72)	1.05
Fair Value of Plan Assets at the end of the year	36.74	114.21
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	420.15	432.25
Fair Value of Plan Assets at end of the year	36.74	114.21
Net Asset/(Liability) Recognised in Balance Sheet	(383.41)	(318.04)
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	72.32	68.06
Interest Cost	31.18	32.25
Expected Return on Plan Assets	(9.16)	(8.38)
Actuarial loss/(gain) recognised in the year	(28.97)	(72.16)
Expense Recognised in Profit and Loss Statement	@ 65.37	@ 19.77
@ Included in Contribution to Provident and Other Funds (Note 25)		
<b>Category of Plan Assets</b>		
Investments with Life Insurance Corporation of India	36.74	114.21
<b>Total</b>	<b>36.74</b>	<b>114.21</b>
Actual Return on Plan Assets	7.44	9.43
Principal Actuarial Assumptions		
Discount Rate (%)	8.00	<b>8.00</b>
Inflation Rate (%)	5.00	5.00
Return on Asset (%)	8.00	8.00

# NOTES TO FINANCIAL STATEMENTS (Contd.)

Description	Rs. Lakhs	
	<b>Staff Pension Type B</b>	
	<b>Unfunded</b>	
	<b>2015-2016</b>	<b>2014-2015</b>
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	3550.47	3318.27
Interest Cost	276.56	258.83
Current Service Cost	789.51	634.72
Benefits Paid	(186.85)	(165.75)
Actuarial loss/(gain) on obligation	(731.18)	(495.60)
Present Value of obligation at the end of the year	3698.51	3550.47
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	3698.51	3550.47
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(3698.51)	(3550.47)
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	789.51	634.72
Interest Cost	276.56	258.83
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	(731.18)	(495.60)
Expense Recognised in Profit and Loss Statement # included in Salaries and Wages (Note 25)	# 334.89	# 397.95
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00
Inflation Rate (%)	5.00	5.00

Description	Rs. Lakhs	
	<b>Medical Benefit Liability</b>	
	<b>Unfunded</b>	
	<b>2015-2016</b>	<b>2014-2015</b>
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	428.55	430.50
Interest Cost	34.28	34.44
Current Service Cost	-	-
Benefits Paid	(31.12)	(26.74)
Actuarial loss/(gain) on obligation	0.08	(9.65)
Present Value of obligation at the end of the year	431.79	428.55
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	431.79	428.55
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(431.79)	(428.55)
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	-	-
Interest Cost	34.28	34.44
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	0.08	(9.65)
Expense Recognised in Profit and Loss Statement * included in Labour and Staff Welfare (Note 25) and Insurance (Note 28)	* 34.36	* 24.79
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00

# NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Description	Expatriate Pension	
	Unfunded	
	2015-2016	2014-2015
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	31.93	34.78
Interest Cost	1.29	1.43
Current Service Cost	-	-
Benefits Paid	(31.63)	(33.83)
Actuarial loss/(gain) on obligation	29.00	29.55
Present Value of obligation at the end of the year	30.59	31.93
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	30.59	31.93
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(30.59)	(31.93)
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	-	-
Interest Cost	1.29	1.43
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	29.00	29.55
Expense Recognised in Profit and Loss Statement	# 30.29	# 30.98
# included in Salaries and Wages (Note 25)		
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00

The estimates of rate of inflation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment sphere.

Plan assets represent investment in various categories. The return on amounts invested with LIC is declared annually by them. Return on amounts invested with Insurance companies, other than LIC, is mostly by way of Net Asset Value declared on units purchased, with some schemes declaring returns annually. Investment in Bonds and Special Deposit carry a fixed rate of interest.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.

Effect of increase/ decrease of one percent point in the assumed medical cost trend rates on:

Rs. Lakhs

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Increase	Decrease	Increase	Decrease
Aggregate of Current Service Cost and Interest	30.20	29.60	34.44	34.44
Accumulated Post Employment Benefit obligation for Medical Cost	437.76	429.09	432.84	424.27

# NOTES TO FINANCIAL STATEMENTS (Contd.)

Company's best estimate of contribution expected to be paid to the Funds in the next year

	As on 31st March	
	2016	2015
Gratuity Fund	1953.90	864.15
Superannuation Fund	4.14	4.03
Staff Pension Fund	0.28	0.28

Rs. Lakhs

Other Particulars	31st March				
	2016	2015	2014	2013	2012
<b>Gratuity Fund (Funded)</b>					
Defined Benefit Obligation	13287.99	13166.11	12227.65	11757.12	10574.50
Plan Assets	15106.31	14217.72	13094.08	12031.58	10920.69
Surplus/(Deficit)	1818.32	1051.61	866.43	274.46	346.19
Experience Adjustments on Plan Liabilities	243.38	(28.76)	784.62	535.36	939.06
Experience Adjustments on Plan Assets	(248.81)	726.72	110.76	231.30	(52.88)
<b>Superannuation Fund (Funded)</b>					
Defined Benefit Obligation	1463.48	1558.19	1692.51	1849.76	1910.35
Plan Assets	2600.53	2555.41	2405.63	2365.74	2297.83
Surplus/(Deficit)	1137.05	997.22	713.12	515.98	387.48
Experience Adjustments on Plan Liabilities	(104.63)	(39.61)	(47.78)	(63.34)	(36.74)
Experience Adjustments on Plan Assets	(54.38)	99.52	81.18	49.85	(16.44)
<b>Staff Pension Fund Type A (Funded)</b>					
Defined Benefit Obligation	420.15	432.25	403.31	436.91	396.96
Plan Assets	36.74	114.21	104.78	98.16	90.76
Surplus/(Deficit)	(383.41)	(318.04)	(298.53)	(338.75)	(306.20)
Experience Adjustments on Plan Liabilities	(69.12)	(133.76)	(39.77)	(108.33)	(30.19)
Experience Adjustments on Plan Assets	(1.72)	1.05	(1.72)	0.14	(1.18)
<b>Staff Pension Fund Type B (Unfunded)</b>					
Defined Benefit Obligation	3698.51	3550.47	3318.27	3077.57	2803.16
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	(341.69)	(207.39)	(79.25)	(164.59)	(69.00)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA
<b>Medical Benefit Liability (Unfunded)</b>					
Defined Benefit Obligation	431.79	428.55	430.50	419.65	326.50
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	(9.72)	2.33	92.01	64.13	(14.55)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA

# NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Other Particulars	31st March				
	2016	2015	2014	2013	2012
	<b>Expatriate Pension (Unfunded)</b>				
Defined Benefit Obligation	30.59	31.93	34.78	38.98	42.65
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	28.30	27.52	30.78	25.88	28.80
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA

NA: Not Applicable

**g) Provident Fund:**

Contributions towards provident funds are recognised as expense for the year. The Company has set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In terms of the Guidance on implementing Accounting Standard 15 (Revised 2005) on Employee Benefits issued by

the Accounting Standard Board of The Institute of Chartered Accountants of India (ICAI), a provident fund set up by the Company is defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Project Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the balance sheet date. Further during the year, the Company's contribution of Rs. 332.10 lakhs (31st March 2015 – Rs. 386.59 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds'. Disclosures given hereunder are restricted to the information available as per the Actuary's report.

	2015-2016	2014-2015
<b>Principal Actuarial Assumptions</b>		
Discount Rate	7.76%	7.66%
Expected Return on Exempted Fund	8.92%	8.89%
Expected EPFO Return	8.80%	8.75%

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 31. CLASSIFICATION OF PROVISION/ADVANCE FOR EMPLOYEE BENEFITS

	Classified as Non-Current As at 31st March		Classified as Current As at 31st March	
	2016	2015	2016	2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits				
- Staff Pension	2128.16	2550.27	1953.76	1318.23
- Medical Benefit	357.71	365.93	74.08	62.63
- Expatriate Pension	24.82	27.97	5.77	3.97
- Other Employee Benefits	464.38	408.78	197.13	182.73
	<b>2975.07</b>	<b>3352.95</b>	<b>2230.74</b>	<b>1567.56</b>
Advance for Employee Benefits				
- Gratuity Fund	-	-	1818.32	1051.61
- Superannuation Fund	-	-	1137.05	997.22
	-	-	<b>2955.37</b>	<b>2048.83</b>

## 32. CONTINGENT LIABILITIES

- a) Claims against the Company not acknowledged as debts :-

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Electricity Dues	91.62	169.87
Excise Duty	10.75	10.75
Income Tax	97.88	1851.21
Service Tax	131.61	131.61
Land Revenue	62.53	2.09

- b) Guarantees given on behalf of a subsidiary - Rs. 26616.63 lakhs (31st March 2015 - Rs. 24658.50 lakhs); Year-end balance of loan Rs. 15268.87 lakhs (31st March 2015 – Rs. 15947.08 lakhs).
- c) Bank Guarantees – Rs. 158.01 lakhs (31st March 2015 - Rs. 123.96 lakhs)
- d) Bills Discounted – Rs. 1719.04 lakhs (31st March 2015– Rs. 1203.58 lakhs)

It is not practicable for the company to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the same.

The company does not expect any reimbursement in respect of the above contingent liabilities.

## 33. COMMITMENTS

- a) Estimated Capital Commitment on account of contracts remaining to be executed and not provided for at the year-end is Rs. 1116.75 lakhs (31st March 2015 - Rs. 2670.27 lakhs). Such commitment, net of advances, is Rs. 352.52 lakhs (31st March 2015 - Rs. 779.23 lakhs).

## NOTES TO FINANCIAL STATEMENTS (Contd.)

- b) The Company has undertaken to continue to directly hold 100% (31st March 2015 – 100%) of the shares in the share capital of Borelli Tea Holdings Limited (BTHL) in connection with the Senior Term Loan facility of EURO 6.00 million (31st March 2015 – EURO 6.00 million) obtained by BTHL from ICICI Bank UK PLC, Frankfurt.
- c) In connection with a Term Loan of Rs. 5000.00 lakhs (31st March 2015 – Rs. 5000.00 lakhs) taken by McNally Bharat Engineering Company Limited (MBECL) from one of its Bankers, the Company has furnished a Non-Disposal Undertaking in respect of its present and future holding of shares in MBECL to remain valid so long as any monies remain due by MBECL in respect of the said loan to the said bank.

### 34. BUSINESS SEGMENT

The Company is primarily engaged in the business of cultivation, manufacture and sale of tea and is managed organisationally as a single unit. Accordingly, the Company is a single business segment company.

Geographical (Secondary) Segments

The geographical segments have been identified as follows:

#### a) Sales revenue of Tea by geographical market:

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
- India	107779.30	108019.27
- Outside India	40528.56	28751.45
	<b>148307.86</b>	<b>136770.72</b>

#### b) Assets by geographical market:

	As at 31st March 2016	As at 31st March 2015
	Rs. Lakhs	Rs. Lakhs
- India	206071.45	199199.71
- Outside India	14.44	15.98
	<b>206085.89</b>	<b>199215.69</b>

#### c) Capital Expenditure by geographical market:

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
- India	10831.83	11861.75
- Outside India	-	-
	<b>10831.83</b>	<b>11861.75</b>

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 35. Information given in accordance with the requirement of Accounting Standard 18 on Related Party Disclosures prescribed under the Act :-

### a) List of Related Parties

#### Where control exists:

##### - Subsidiaries:

Borelli Tea Holdings Limited (BTHL)  
Phu Ben Tea Company Limited (PBTCL)  
Rwenzori Tea Investments Limited (RTI)  
McLeod Russel Uganda Limited (MRUL)  
Gisovu Tea Company Limited (GTCL)  
McLeod Russel Middle East DMCC (MRME)  
McLeod Russel Africa Limited (MRAL)  
Pfunda Tea Company Limited (PTCL)

#### Others:

##### - Associates:

D1 Williamson Magor Bio Fuel Limited (D1)

##### - Key Management Personnel

Managing Director	Mr. Aditya Khaitan (AK)
Wholetime Directors	Mr. Rajeev Takru (RT)
	Mr. Azam Monem (AM)
	Mr. Kamal Kishore Baheti (KKB)

##### - Relatives of Key Management Personnel with whom transactions took place during the year.

Mr. Brij Mohan Khaitan (BMK)	Father of Mr. Aditya Khaitan
Mrs. Shanti Khaitan (SK) (died on 25th February, 2016)	Mother of Mr. Aditya Khaitan
Mrs. Kavita Khaitan (KK)	Wife of Mr. Aditya Khaitan
Mr. Deepak Khaitan (DK) (died on 9th March, 2015)	Brother of Mr. Aditya Khaitan
Mrs. Zubeena Monem (ZM)	Wife of Mr. Azam Monem

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## b) Transactions / Balances with Subsidiary

		Rs. Lakhs	
Name of Subsidiary	Nature of Transactions/ Balances	Year ended 31st March 2016	Year ended 31st March 2015
BTHL	Loan outstanding at beginning of the year	4400.00	800.00
	Loan given	500.00	4400.00
	Loan repaid	1800.00	800.00
	Loan outstanding at year end	3100.00	4400.00
	Interest income (Gross)	494.25	236.08
	Interest income receivable	494.25	236.08
	Royalty (Gross)	403.10	285.09
	Royalty payable	403.10	285.09
	Guarantee Commission (Gross)	79.74	-
	Guarantee Commission receivable	79.74	-
	Corporate Guarantee given for financial assistance	-	20628.30
	Balance of Corporate Guarantee outstanding at year end	26616.63	24658.50
	Dividend Paid	812.03	1894.73
	Dividend Received	543.81	1107.86
Balance of Investment at Year End	22936.38	22936.98	
MRUL	Consultancy Fees	122.02	113.01
	Trade Receivable	29.81	84.38
	Expenses incurred on their behalf	25.81	-
	Reimbursement received	23.49	-
	Amount receivable	2.32	-
PBTCCL	Consultancy Fees	37.30	31.25
	Trade Receivable	-	31.25
	Expenses incurred on their behalf	17.73	-
	Reimbursement received	-	-
	Amount receivable	17.73	-
MRME	Sale of tea	119.43	57.42
	Expenses incurred on their behalf and reimbursement received	0.60	-
GTC	Expenses incurred on their behalf and reimbursement received	3.99	1.52
PTCL	Expenses incurred on their behalf	2.18	-
	Reimbursement received	-	-
	Amount receivable	2.18	-

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### c) Transactions / Balances with Associate

Name of Associate	Nature of Transactions/Balances	As at Year ended 31st March 2016	As at Year ended 31st March 2015
		Rs. Lakhs	Rs. Lakhs
D1	Balance of Investments at the year-end [Net of provision for diminution in value of investments Rs. 2150.00 lakhs (31.03.2015 – Rs. 2090.00 lakhs)]	34.35	94.35

### d) Transactions / Balances with Key Management Personnel

	Rs. Lakhs							
	Remuneration				Dividend paid		Amount Recoverable at year end	
	2015-16	Excess Recoverable (*)	Net	2014-15	2015-16	2014-15	2015-16	2014-15
AK	496.89	103.58	393.31	482.18	0.22	0.51	103.58	-
RT	197.47	8.02	189.45	194.57	0.03	0.06	8.02	-
AM	198.00	14.29	183.71	199.73	0.02	0.04	14.29	-
KKB	196.80	12.27	184.53	196.90	0.15	0.36	12.27	-
<b>Total</b>	<b>1089.16</b>	<b>138.16</b>	<b>951.00</b>	<b>1073.38</b>	<b>0.42</b>	<b>0.97</b>	<b>138.16</b>	<b>-</b>

The above remuneration of Managing Director (AK) and Whole time directors (RT, AM, KKB) is in accordance with the Shareholders' approval obtained at the Sixteenth AGM of the Company held on 23rd July, 2014 together with special resolution passed by way of Postal Ballot on 1st October, 2015.

However, due to inadequacy of profit of the Company during the year 2015-16, the above remuneration has exceeded the limit prescribed under section 197 of the Companies Act, 2013 in anticipation of which the Company has applied to the Central Government seeking its approval to the above remuneration.

(\*) In view of inadequacy of profit in year 2014-15, the Department of Company Affairs (Govt. of India) has passed an order to recover above amounts.

### e) Transactions / Balances with relatives of Key Management Personnel

	As at Year ended 31st March 2016	As at Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Directors' Sitting Fees		
BMK	1.40	1.00
DK	-	0.80
Dividend Paid		
BMK	1.09	2.54
DK's Estate/Successor	0.35	0.83
Others	0.08	-

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 36. Disclosure pursuant to SEBI's Circular No. SMD/POLICY/CIR-02/2003

	As at 31st March 2016	As at 31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>i) Loans and Advances in the Nature of Loans to Subsidiary</b>		
Loan to Subsidiary		
Borelli Tea Holdings Limited		
- Balance at the year end	3100.00	4400.00
- Maximum amount outstanding at any time during the year	4900.00	4400.00
<b>ii) Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are Interested</b>		
a) Loan to a Company in which a Director of the Company is a Director		
United Machines Company Limited		
- Balance at the year end	280.00	280.00
- Maximum amount outstanding at any time during the year	280.00	300.00

37. During the year 2012-13, a tea-manufacturing factory has been taken on non-cancellable operating lease for period from 1st January 2013 to 31st December 2017. The Lease Rent is charged in Profit and Loss Statement and future lease commitments are:

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Lease Rent	75.00	75.00
Future lease commitment		
Not later than year	75.00	75.00
Later than one year and not later than five years	56.25	131.25
Later than five years	-	-

38. In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs.5278 lakhs during the year 2009-10 on the Company on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Company challenged the said demand before the appropriate authorities and the matter is pending. Further, the Company has obtained a stay against the said demand from the Hon'ble High Court of Calcutta. The Company deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest (Refer Note 19). In any event, as per the related Share Purchase Agreement, Capital Gain tax or other tax, if any, relating to sale of shares etc. is to be borne by the seller and not the Company.

## 39. EARNINGS PER EQUITY SHARE

	Year ended 31st March 2016	Year ended 31st March 2015
a) Numerator used:		
Profit after Taxation (Rs. Lakhs)	1457.34	6198.46
b) Denominator used		
Weighted Average Number of Equity Shares	10,94,55,735	10,94,55,735
c) Face Value of Equity Shares - Rs.	5	5
d) Dilutive Potential Equity Shares	-	-
e) Earnings per Share [Basic and Diluted] - Rs.	1.33	5.66

## NOTES TO FINANCIAL STATEMENTS (Contd.)

40. Revenue Expenditure on Research and Development Rs. 132.67 lakhs (31st March 2015 - Rs. 131.90 lakhs) represent subscription to Tea Research Association.

41. There are no outstanding dues of Micro and Small Enterprises (MSEs) based on information available with the Company.

**42 Auditors' Remuneration:**

(Included in Miscellaneous Expenses under Note 28)

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
As Auditors - Audit Fees	63.00	46.00
For Other Services		
Tax Audit Fees	18.00	16.00
Certification etc.	35.00	36.00
For Reimbursement of expenses		
Out of Pocket Expenses	1.32	1.60
Service Tax	17.69	12.31

**43. Value of Imports calculated on CIF Basis**

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Components and Spare Parts (including Packing Material)	531.17	395.69
Capital Goods	111.73	20.84

**44. Consumption of Stores (including Packing Material), Spare Parts and Components**

[Including Rs. 3268.47 lakhs (31st March 2015 – Rs. 3499.44 lakhs) debited to other accounts]

	Year ended 31st March 2016		Year ended 31st March 2015	
	Rs. Lakhs	%	Rs. Lakhs	%
Imported	422.75	3.69	218.17	1.96
Indigenous	11020.28	96.31	10932.85	98.04
	<b>11443.03</b>	<b>100.00</b>	<b>11151.02</b>	<b>100.00</b>

45. Salaries and Wages excludes Rs. 801.57 lakhs (31st March 2015 - Rs. 915.06 lakhs) and Stores and Spares consumed excludes Rs. 3268.47 lakhs (31st March 2015 - Rs. 3499.44 lakhs) debited to other accounts.

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 46. Expenditure in Foreign Currency

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Consultancy	8.19	53.97
Pension	31.09	32.98
Travel	94.79	79.74
Selling Agents' Commission, Brokerage etc.	147.27	194.96
Royalty	403.10	285.09
Others	52.34	110.24
	<b>736.78</b>	<b>756.98</b>

## 47. Amount Remitted in Foreign Currency on account of:

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Dividend	819.17	1911.39
Year to which the dividend relates	Year Ended 31st March 2015	Year Ended 31st March 2014
Number of Non-Resident Shareholders	52	53
Number of Shares held by Non-Resident Shareholders	27305555	27305573

## 48. Proposed Dividend

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
The dividend proposed for the year is as follows:		
On Equity Share of Rs. 5/- each		
Amount of Dividend Proposed	2189.11	3283.67
Dividend per Equity Share	2/-	Rs. 3/-

## 49. Earning in Foreign Exchange

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Export of Goods calculated on FOB Basis	35881.61	25377.96
Interest Income	494.25	236.08
Consultancy Income	159.32	145.40
Guarantee Commission	79.74	-
Dividend Received	543.81	1107.86
	<b>37158.73</b>	<b>26867.30</b>

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 50. Derivative Investments and Unhedged Foreign Currency Exposure

### a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Currency	As at 31st March, 2016		As at 31st March, 2015	
			Amount in Foreign Currency	Amount in Rs. Lakhs	Amount in Foreign Currency	Amount in Foreign Currency
Forward contracts on past performance	Hedging of foreign currency receivables	USD	17000000	11264.20	20094089.78	12560.82
Interest Rate Swap	Hedging of floating interest rate	USD	14117647.06	9354.35	-	-

### b) Particulars of unhedged foreign currency exposures as at the reporting date.

Particulars	Purpose	Currency	As at 31st March, 2016		As at 31st March, 2015	
			Amount in Foreign Currency	Amount in Rs. Lakhs	Amount in Foreign Currency	Amount in Foreign Currency
Trade/ Other Payable		GBP	427597	403.10	311163	285.09
Trade/ Other Receivables		USD	45000	29.81	185000	115.64

	2015-16	2014-15
	Rs. Lakhs	Rs. Lakhs
c) Mark-to-Market Losses Provided for	128.80	-

## 51 Exceptional Item comprises

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Provision/(Write back) in carrying amount of long term Investments in :		
An associate	60.00	90.00
Body Corporates	55.39	(31.22)
	<b>115.39</b>	<b>58.78</b>

## 52 Current Tax

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Provision for Current Tax for the year	1200.00	1200.00
MAT Credit Entitlement	-	(355.73)
MAT Credit written off	616.05	544.21
Excess provisions of earlier years written back		
- Current Tax	(1175.72)	(585.15)
- Fringe Benefit Tax	-	(349.95)
Provision made for earlier years	112.78	-
	<b>753.11</b>	<b>453.38</b>

# NOTES TO FINANCIAL STATEMENTS (Contd.)

## 53. Details of Loans and Guarantees given covered under section 186(4) of the Companies Act, 2013

During the year, the Company has given Interest bearing (which is not lower than prevailing yield of related Government Security close to the tenure of respective loans) loans to certain parties for their business purposes, which is repayable on demand ;

- Williamson Magor & Co. Ltd. – Rs. 4875 lakhs (31st March 2015 – Nil) at the year end and maximum amount outstanding during the year Rs. 18125 lakhs (31st March 2015 - Rs. 14400 lakhs).
- Babcock Borsig Ltd. - Rs. 3950 lakhs (31st March 2015 – Nil) at the year end and maximum amount outstanding during the year Rs. 19700 lakhs (31st March 2015 – Rs. 11300 lakhs).
- Borelli Tea Holdings Ltd. - Rs. 3100 lakhs (31st March 2015 – 4400 lakhs) at the year end and maximum amount outstanding during the year Rs. 4900 lakhs (31st March 2015 – Rs. 4400 lakhs).
- Williamson Financial Services Ltd. - Rs. 5100 lakhs (31st March 2015 – Rs. 3800 lakhs) at the year end and maximum amount outstanding during the year Rs. 19650 Lakhs (31st March 2015 – Rs. 9250 lakhs).
- McNally Bharat Engg. Co. Ltd. - Rs.7225 lakhs (31st March 2015 – Nil) at the year end and maximum amount outstanding during the year Rs. 20179 lakhs (31st March 2015 – Nil).

During the year 2014-15, the company had given Guarantee of USD 33 million (equivalent Rs.20628.30 lakhs) to a bank in respect of loans availed / to be availed by Borelli Tea Holdings Ltd. (wholly owned subsidiary) for its business purpose. The guarantee would continue till full repayment of the loans by the subsidiary.

## 54. Corporate Social Responsibility Expenditure

- (a) Gross amount required to be spent by the company during the year : Rs. 366.19 lakhs
- (b) Amount spent during the year on :

Sr. No	CSR project or activity identified	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	408.29	-	408.29
(ii)	On purposes other than (i) above	26.90	-	26.90

## 55. Previous year figures have been reclassified to conform to this year's classification.

Signatures to Note 1 to 55.

For **PRICE WATERHOUSE**  
Firm Registration Number 301112E  
Chartered Accountants

On behalf of the Board of Directors

**Prabal Kr. Sarkar**  
Partner  
Membership Number 52340  
Kolkata, 30th May 2016

**A. Khaitan**  
Managing Director

**K. K. Baheti**  
Wholetime Director & CFO

**A. Guha Sarkar**  
Company Secretary

# INDEPENDENT AUDITORS' REPORT

To the Members of

**McLeod Russel India Limited**

## **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of McLeod Russel India Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate company (refer Note 29) to the attached consolidated financial statements, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

## **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

8. We draw your attention to Note 35(b) to the consolidated financial statements regarding total remuneration paid/payable to the managing director and three whole-time directors of the parent Company aggregating Rs 1089.16 lakhs for the year ended March 31, 2016 which is in excess of the limits specified in Schedule V read with Section 197 of the Companies Act, 2013, and as approved by the shareholders of the Company and for which approval from the Central Government is awaited. Our opinion is not qualified in respect of this matter.

**Other Matter**

9. We did not audit the financial statements/financial information of one subsidiary whose financial statements/financial information reflect total assets of Rs 58,787.08 lakhs and net assets of Rs 32,994.06 lakhs as at March 31, 2016, total revenue of Rs.42,738.30 lakhs, net profit of Rs 3,218.57 lakhs and net cash flows amounting to Rs 63.25 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.27.15 lakhs for the year ended March 31 2016 as considered in the consolidated financial statements, in respect of one associate company whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary and associate, is based solely on reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law maintained by the Holding Company, and its associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account

maintained by the Holding Company and its associate company incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group and its associate Company – Refer Note 32 to the consolidated financial statements.
  - The Group and its associate company had long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2016. Based on the report of other auditors of Holding Company's associate incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the aforesaid associate during the year ended March 31, 2016.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**(Prabal Kr. Sarkar)**  
Partner

Kolkata  
30th May, 2016

Membership Number 52340

# ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Mcleod Russel India Limited on the consolidated financial statements for the year ended March 31, 2016

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Mcleod Russel India Limited (hereinafter referred to as "the Holding Company") and its associate company, which is incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company and its associate company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its associate company, incorporated in India, internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Holding Company and its associate company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, which is incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**(Prabal Kr. Sarkar)**  
Partner  
Membership Number 52340

Kolkata  
30th May, 2016

# CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2016

	Note	31st March 2016		31st March 2015	
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	5472.79		5472.79	
Reserves and Surplus	3	204010.54		203673.96	
			209483.33		209146.75
<b>Minority Interest</b>			1817.25		2405.07
<b>Non-current Liabilities</b>					
Long - term Borrowings	4	32597.50		26330.69	
Deferred Tax Liabilities (Net)	5	3065.97		3711.35	
Long - term Provisions	6	2989.09	38652.56	3362.33	33404.37
<b>Current Liabilities</b>					
Short-term Borrowings	7	42426.73		28184.30	
Trade Payables	8				
Total outstanding dues of micro enterprises and small enterprises ; and			-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		13596.44		12390.48	
Other Current Liabilities	9	20439.42		14649.10	
Short-term Provisions	10	8930.57	85393.16	8676.07	63899.95
<b>Total</b>			<b>335346.30</b>		<b>308856.14</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
Tangible Assets	11	184602.17		182183.58	
Intangible Assets	12	34386.99		34336.45	
Capital Work-in-Progress		7221.61	226210.77	6301.70	222821.73
Non-Current Investments	13	950.14		1190.33	
Long - term Loans and Advances	14	11383.79		15030.84	
Other Non-current Assets	15	1454.82	13788.75	1458.79	17679.96
<b>Current Assets</b>					
Inventories	16	24980.20		25861.71	
Trade Receivables	17	11009.58		8764.78	
Cash and Bank Balances	18	4609.54		4341.99	
Short-term Loans and Advances	19	45820.89		25656.18	
Other Current Assets	20	8926.57	95346.78	3729.79	68354.45
<b>Total</b>			<b>335346.30</b>		<b>308856.14</b>

This is the Consolidated Balance Sheet referred to in our report of even date

The accompanying notes are an integral part of these Consolidated Financial Statements

For **PRICE WATERHOUSE**  
 Firm Registration Number 301112E  
 Chartered Accountants

For and on behalf of the Board of Directors

**Prabal Kr. Sarkar**  
 Partner  
 Membership Number 52340  
 Kolkata, 30th May 2016

**A. Khaitan**  
 Managing Director

**K. K. Baheti**  
 Wholetime Director & CFO

**A. Guha Sarkar**  
 Company Secretary

# CONSOLIDATED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	Year ended	Year ended
		31st March 2016	31st March 2015
		Rs. Lakhs	Rs. Lakhs
Revenue from Operations	21	192632.25	164595.47
Other Income	22	9016.26	4470.66
<b>Total Revenue</b>		<b>201648.51</b>	<b>169066.13</b>
<b>Expenses:</b>			
Cost of Materials Consumed	23	32949.57	30770.46
Purchase of Tea		3765.10	526.86
Changes in Inventories of Finished Goods	24	413.85	(4612.90)
Employee Benefits Expense	25	75385.87	63478.46
Finance Costs	26	10981.37	7190.04
Depreciation and Amortisation Expense	27	8219.62	7674.95
Other Expenses	28	63456.42	61510.64
<b>Total Expenses</b>		<b>195171.80</b>	<b>166538.51</b>
Profit before Exceptional Items and Tax		<b>6476.71</b>	<b>2527.62</b>
Exceptional Items	44	213.04	56.27
Profit before Taxation, Share of Earnings/(Loss) from Associates and Minority Interest		<b>6263.67</b>	<b>2471.35</b>
Tax expense:	46		
Current Tax		2288.29	912.53
Deferred Tax - Charge/(Credit)		(484.08)	(1845.36)
Profit after Taxation but before Share of Earnings/(Loss) from Associates and Minority Interest		<b>4459.46</b>	<b>3404.18</b>
Less : Share of Associate's Loss		27.15	82.59
Less : Minority Interest		702.46	204.22
Profit for the Year		<b>3729.85</b>	<b>3117.37</b>
Earnings per Equity Share: [Nominal Value per share : Rs. 5/- (Previous Year : Rs. 5/-)]	37		
- Basic		3.41	2.85
- Diluted		3.41	2.85

This is the Consolidated Profit and Loss Statement referred to in our report of even date

The accompanying notes are an integral part of these Consolidated Financial Statements

For **PRICE WATERHOUSE**

Firm Registration Number 301112E

Chartered Accountants

For and on behalf of the Board of Directors

**Prabal Kr. Sarkar**

Partner

Membership Number 52340

Kolkata, 30th May 2016

**A. Khaitan**

Managing Director

**K. K. Baheti**

Wholetime Director & CFO

**A. Guha Sarkar**

Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16		2014-15	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation, Share of Earnings/(Loss) from Associate and Minority Interest		6263.67		2471.35
Provision for Diminution in carrying amount of Long -Term Investments	213.04		56.27	
Provision for mark-to market losses on derivatives	128.80		-	
Provision for bad and doubtful accrued interest no longer required written back	(967.96)		-	
Provision for doubtful loans	-		9.56	
Liabilities no longer required written back	(70.35)		(13.35)	
Bad Debts written off	-		4.12	
Investment written off	-		0.02	
Reversal of Impairment Loss	-		(407.36)	
Depreciation on Tangible Assets	7748.87		7621.36	
Amortisation on Intangible Assets	470.75		460.95	
Loss on Disposal of Fixed Assets (Net)	0.01		78.04	
Dividend on Long Term Trade Investments	(180.90)		(120.71)	
Interest Income	(7093.31)		(3700.76)	
Interest Expense	10529.01		6910.89	
Foreign Exchange Losses/ (Gains)	(0.28)		50.12	
Exchange difference on translation of foreign currency	(357.47)		69.69	
		10420.21		11018.84
<b>Operating Profit before Working Capital changes</b>		<b>16683.88</b>		<b>13490.19</b>
Changes in Working Capital				
Increase in Trade Payables	1276.31		4084.99	
Increase in Other Current Liabilities	2807.24		187.33	
Increase in Provision	289.94		410.75	
(Increase) In Trade Receivables	(2244.80)		(4081.41)	
(Increase) / Decrease In Inventories	879.43		(5912.40)	
(Increase) / Decrease In Loans and Advances	1257.76		4747.16	
(Increase) / Decrease In Other Current Assets	(63.73)		867.05	
Decrease in Other Non Current Assets	3.97		44.16	
		4206.12		347.63
<b>Cash Generated from operations</b>		<b>20890.00</b>		<b>13837.82</b>
Taxes paid (Net of Refunds)		(2217.04)		(3046.87)
<b>Net Cash from Operating Activities</b>		<b>18672.96</b>		<b>10790.95</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Tangible/Intangible Fixed Assets	(12945.34)		(16137.18)	
Purchase of Investment in a subsidiary company	-		(12918.96)	
Proceeds from Disposal of Tangible Fixed Assets	142.69		1928.44	
Capital Subsidy Received	81.65		16.13	
Loans Recovered /(given)	(17714.60)		(3780.00)	
Interest Received	2928.22		3630.86	
Dividend Received	180.90		120.71	
<b>Net cash used for Investing Activities</b>		<b>(27326.48)</b>		<b>(27140.00)</b>

# CONSOLIDATED CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16		2014-15	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-term Borrowings	14000.00		23728.42	
Proceeds from Short-term Borrowings	14242.43		11980.98	
Repayment of Long-term Borrowings	(5478.81)		(5976.51)	
Payment towards Unclaimed Fractional Share Sale Proceeds	(0.01)		-	
Interest paid	(10570.22)		(6917.54)	
Dividend paid / Transferred to Investor Education and Protection Fund	(2714.83)		(5831.01)	
Dividend Tax paid	(557.77)		(1113.86)	
<b>Net Cash from Financing Activities</b>		<b>8920.79</b>		<b>15870.48</b>
<b>D. EFFECT OF FOREIGN EXCHANGE DIFFERENCE ON</b>				
Cash and Cash Equivalents		0.28		(0.87)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)		267.55		(479.44)
Cash and Cash Equivalents at the beginning of the year (Refer Note 18)		4341.99		4821.43
Cash and Cash Equivalents at the end of the year (Refer Note 18) *		4609.54		4341.99
Changes in Cash and Cash Equivalents - Increase/ (Decrease)		<b>267.55</b>		<b>(479.44)</b>
* Includes the following balances which are available for use for specific purposes.				
Unpaid Dividend Account		396.61		386.15
Escrow Accounts/Fractional Share sale Proceeds Account		0.17		0.18

- (a) The above Consolidated Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement prescribed under the Companies Act of India.
- (b) Also refer Note 49 to the financial Statements.
- (c) Notes referred to above form an integral part of the Consolidated Cash Flow Statement.

This is the Consolidated Cash Flow Statement referred to in our report of even date

For **PRICE WATERHOUSE**

Firm Registration Number 301112E

Chartered Accountants

For and on behalf of the Board of Directors

**Prabal Kr. Sarkar**

Partner

Membership Number 52340

Kolkata, 30th May 2016

**A. Khaitan**

Managing Director

**K. K. Baheti**

Wholetime Director & CFO

**A. Guha Sarkar**

Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of Preparation

These Consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual and prudent basis except for certain tangible fixed assets which are being carried at revalued amounts.

Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these consolidated financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Group's Company normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current- non current classification of assets and liabilities.

### 1.2 Tangible Fixed Assets

Tangible Fixed Assets are stated at acquisition cost or valuation net of accumulated depreciation and accumulated impairment losses, if any. Cost of extension planting is capitalised. An impairment loss is recognised wherever the carrying amount of the tangible fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 1.3 Intangible Fixed Assets

Intangible Fixed Assets are stated at acquisition cost net of accumulated amortisation and accumulated impairment

losses, if any. An impairment loss is recognised whenever the carrying amount of the intangible fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 1.4 Depreciation and Amortisation

Depreciation on straight line method is provided on book value of tangible fixed assets (other than Estate & Development and Freehold Land) in the manner and on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation. Items of fixed assets for which related actual cost do not exceed Rs. 5000 are fully depreciated in the year of purchase. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

Plant and Equipment: ranging from 7 years to 30 years  
Non-factory Buildings: ranging from 15 years to 70 years

Additional charge of depreciation on amount added on revaluation, hitherto adjusted against Revaluation Reserve, wherever available, is recognised as charge to the Profit and Loss Statement.

Leasehold land is amortised over the period of lease.

Intangible fixed assets are amortised on straight line method over their estimated economic life.

Tangible fixed assets of certain subsidiary companies are depreciated using the straight-line method over the following estimated useful lives:

	<b>Years</b>
Buildings	5-50
Plant and Equipment	4-20
Estate and Development	20-100
Furniture and Fixtures	4-10
Vehicles	4-10
Computer	2-4
Office Equipment	5-8

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Intangible fixed assets are amortised on straight line method over their estimated economic lives as set out in Note 12.

## 1.5 Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary. Gains/losses on disposal of investments are recognised as income / expenditure.

## 1.6 Inventories

Inventories are valued as under :

- Stores and Spare Parts : At lower of cost (determined under weighted average method) and net realisable value.

- Finished Goods : At lower of weighted cost (including attributable charges and levies) and net realisable value.

- In case of certain subsidiary companies, Inventories are valued at lower of cost and net realisable value, cost being determined under FIFO method.

## 1.7 Revenue Recognition

Sale of products is recognised on completion of sale of goods. Sale includes tea claim and is net of sales return, sales tax etc. Other items are recognised on accrual basis.

## 1.8 Employee Benefits

### a. Short Term Employee Benefits:

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

### b. Post Employment Benefit Plans:

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur. Past service cost is recognised immediately to the extent that the

benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

### c. Other Long Term Employee Benefits (Unfunded):

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Profit and Loss Statement for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

In case of a subsidiary company, Post Employment Defined Benefit Plan is accounted for on the full liability method.

## 1.9 Borrowing Cost

Interest and other costs in connection with the borrowing of funds by the Group are recognised as an expense in the period in which they are incurred unless these are attributable to the acquisition and construction of qualifying assets and added to the cost up to the date when such assets are ready for their intended use.

## 1.10 Research and Development

Revenue expenditure on Research and Development is recognised as a charge to Profit and Loss Statement. Capital expenditure on assets acquired for Research and Development is added to Fixed Assets, if any.

## 1.11 Accounting for Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdiction.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Group re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Parent Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Parent Company will pay normal income tax during the specified period.

## 1.12 Transactions in Foreign Currencies

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign

currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the Profit and Loss Statement.

## 1.13 Derivative Instruments

Derivative financial instruments such as forward exchange contracts, currency swaps etc. are used to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forward Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements. Any profit or losses arising on cancellation of derivative instruments are recognised as income or expenses for the period.

In case of a subsidiary company Derivative Contracts outstanding at the balance sheet date are marked to market and resulting profits or loss are also recognised in the financial statements.

## 1.14 Government Grants

Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book value.

Government grants related to revenue are recognised in the Profit and Loss Statement.

## 1.15 Provision and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provision are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

## 1.16 Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

## 1.17 Consolidation

Consolidated financial statements relate to McLeod Russel India Limited, the Parent Company and its subsidiary companies (the Group). The consolidated financial statements are in conformity with the Accounting Standard (AS) – 21 on Consolidated Financial Statements prescribed under the Act and are prepared as set out below:

- (a) The financial statements of the Parent Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after adjustments/elimination of inter-company balances, transactions including unrealised profit etc.
- (b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respects and are presented to the extent practicable and possible, in the same manner as the Parent Company's separate financial statements.
- (c) The excess of cost to the Parent Company of its investment in the subsidiary companies over the Parent's portion of equity of the subsidiary companies at the date those became subsidiary companies is recognised in the financial statements as goodwill which is not amortised.
- (d) The translation of the functional currencies into Indian Rupees (reporting currency) is performed for equity in the foreign subsidiaries, assets and liabilities using the closing exchange rate at the Balance Sheet date, and for revenues, costs and expenses using average exchange rates prevailing during the period. The resultant exchange difference arising out of such translation is recognised as part of equity (Foreign Currency Translation Adjustment Account) by the Parent Company until the disposal of investment.
- (e) Investment in Associate Companies is accounted for in accordance with AS-23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' prescribed under the Act, under equity method.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 2 SHARE CAPITAL

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>Authorised</b>		
12,00,00,000 (31.03.15 - 12,00,00,000) Equity Shares of Rs.5/- each	6000.00	6000.00
<b>Issued, subscribed and paid-up</b>		
10,94,55,735 (31.03.15 - 10,94,55,735) Equity Shares of Rs 5/- each fully paid up	5472.79	5472.79
	<b>5472.79</b>	<b>5472.79</b>

(a) Rights, preferences and restrictions attached to Shares

The parent Company has only one class of shares referred to as Equity Shares having a par value of Rs. 5/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of Equity Shares held by shareholders holding more than 5 per cent of the aggregate Equity Shares in the Parent Company

	Number of Equity Shares	Number of Equity Shares
	31st March 2016	31st March 2015
Kamal Baheti (Trustee of Borelli Tea Holdings Limited, U.K.)	27067500 (24.73%)	27067500 (24.73%)
Williamson Magor & Co. Limited	11660946 (10.65%)	11660946 (10.65%)
Williamson Financial Services Limited	5898725 (5.39%)	5898725 (5.39%)
IDFC Premier Equity Fund	-	6425178 (5.87%)
IDFC Monthly Income Plan	7600000 (6.94%)	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 3 RESERVES AND SURPLUS

	General Reserve [Refer Note (a) below]	Securities Premium Account	Capital Reserve	Revaluation Reserve [Refer Note 11 (c)]	Other Reserve [Refer Note (b) below]	Foreign Currency Translation Adjustment Account	Surplus in Profit and Loss Statement	Rs. Lakhs Total
Balance at the beginning of the year	80712.34	11053.58	359.35	55839.83	19209.20	(4579.28)	41078.94	203673.96
Profit for the year	-	-	-	-	-	-	3729.85	3729.85
Adjustment on account of depreciation on amount added on Revaluation of Fixed Assets	265.67	-	-	(265.67)	-	-	-	-
Amount adjusted during the year	-	-	(157.67)	-	-	(1190.59)	-	(1348.26)
Adjustment on account of Dividend (Refer Note 40)	-	-	-	-	-	-	812.03	812.03
Proposed Dividend by the Parent Company	-	-	-	-	-	-	(2189.11)	(2189.11)
Proposed Dividend relating to Minority Interest	-	-	-	-	-	-	(332.99)	(332.99)
Tax on Proposed Dividend by the Parent Company	-	-	-	-	-	-	(445.65)	(445.65)
Tax on Proposed Dividend relating to earlier year written back	-	-	-	-	-	-	110.71	110.71
<b>Balance at the end of the year</b>	<b>80978.01</b>	<b>11053.58</b>	<b>201.68</b>	<b>55574.16</b>	<b>19209.20</b>	<b>(5769.87)</b>	<b>42763.78</b>	<b>204010.54</b>

a) Represents a free reserve not meant for any specific purpose.

b) Represents the balance amount of reserve which had arisen on transfer of Bulk Tea Division of Eveready Industries India Limited.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 4 LONG-TERM BORROWINGS

	31st March 2016		31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>SECURED</b>				
<b>Term Loans from Banks</b>				
<b>ICICI Bank Limited</b>	9000.00		10000.00	
Less : Current maturities of long term debts	(2000.00)	7000.00	(1000.00)	9000.00
a) Nature of Security	Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.			
b) Rate of Interest	Interest is payable on monthly basis at base rate plus 0.40% p.a.			
c) Terms of Repayment	Eighteen (31.03.2015 - Twenty) equal quarterly instalments of Rs. 500 Lakhs each.			
<b>Housing Development Finance Corporation Limited</b>	5000.00		-	
Less : Current maturities of Long term debt	(386.97)	4613.03	-	-
a) Nature of Security	Secured by mortgage of property at Registered Office, Kolkata and certain tea estates.			
b) Rate of Interest	Interest is payable on monthly basis at HDFC CPLR minus 6.75% p.a.			
c) Terms of Repayment	Sixty (31.03.2015 -Nil) equated monthly instalments (including interest) of Rs. 108.46 Lakhs each commencing from 18th October, 2016.			
<b>HDFC Bank Limited</b>	3000.00		5000.00	
Less : Current maturities of long term debts	(2000.00)	1000.00	(2000.00)	3000.00
a) Nature of Security	Secured by equitable mortgage of certain tea estates on an exclusive basis			
b) Rate of Interest	Interest is payable on quarterly basis at base rate plus 0.05% p.a.			
c) Terms of Repayment	Six (31.03.2015) - Ten equal quarterly instalments of Rs. 500 Lakhs each			
<b>HDFC Bank Limited</b>	9000.00		-	
Less : Current maturities of long term debts	-	9000.00	-	-
a) Nature of Security	To be Secured by extension of exclusive charge over certain tea estates as per terms of agreement with bank.			
b) Rate of Interest				



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 5 DEFERRED TAX LIABILITIES (NET)

	31st March 2016		31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>A. Deferred Tax Liability</b>				
i) Difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per tax laws		7914.86		7518.50
<b>B. Deferred Tax Assets</b>				
i) Losses under Agricultural Income Tax *	1940.84		720.84	
ii) Items allowed for tax purpose on payment	1520.11		1422.06	
iii) Provision for Doubtful Debts, Advances etc.	1387.94	4848.89	1664.25	3807.15
<b>Net Deferred Tax Liabilities (A-B)</b>		<b>3065.97</b>		<b>3711.35</b>

\* Considered to the extent of deferred tax liability against which it can be realised.

(c) Includes Rs. (161.30) lakhs (31.03.2015 - Rs. 524.80 lakhs) on account of foreign exchange adjustment.

## 6 LONG-TERM PROVISIONS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits [Refer Note 31 (j)]	2989.09	3362.33
	<b>2989.09</b>	<b>3362.33</b>

## 7 SHORT-TERM BORROWINGS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>Secured Loans repayable on demand from Banks</b>		
Cash Credit, Packing Credit and Demand Loans	42426.73	28184.30
Nature of Security		
The loans pertaining to parent company are secured / to be secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu and hypothecation of tea crop, movable properties and book-debts, present and future of the parent company. The loans pertaining to subsidiaries are secured by way of mortgage of certain fixed and floating assets of subsidiaries.		
	<b>42426.73</b>	<b>28184.30</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 8 TRADE PAYABLES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 39) ; and	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13596.44	12390.48
	<b>13596.44</b>	<b>12390.48</b>

## 9 OTHER CURRENT LIABILITIES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Current maturities of long-term debt	8669.76	5659.89
Interest accrued but not due on borrowings	99.14	140.35
Advances from Customers / Selling Agents	242.13	9.92
Unpaid Dividends [Refer (a) below]	396.61	386.15
Unclaimed Fractional Share Sale Proceeds	0.17	0.18
Deposits Received from Agents	133.09	163.61
Employee Benefits Payable	8898.48	7366.99
Statutory dues (including Provident Fund and Tax deducted at Source)	1284.49	797.39
Capital Liabilities	83.16	79.19
Foreign Exchange Derivative Liability	632.39	45.43
	<b>20439.42</b>	<b>14649.10</b>

(a) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

## 10 SHORT-TERM PROVISIONS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits [Refer Note 31 (j)]	2230.74	1567.56
Others		
Provision for Income Tax (Net of Advance Tax)	2799.27	2070.70
Proposed Dividend	2342.11	3357.33
Provision for Tax on Proposed Dividend	1429.65	1652.48
Provision for Wealth Tax	-	28.00
Provision for mark-to-market losses on derivatives	128.80	-
	<b>8930.57</b>	<b>8676.07</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 11 TANGIBLE FIXED ASSETS

Particulars	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION				NET BLOCK					
	As at 31st March, 2015	Added on Consolidation	Additions/ adjustments during the year	Disposal/ adjustments during the year [Refer (a) and (d) below]	As at 31st March, 2016	Up to 31st March, 2015 [Refer (f)(i) below]	Added on Consolidation	For the year	On disposal/ adjustments during the year [Refer (e) below]	Adjusted with Reserve during the year [Refer (g) below]	Impairment written back during the year [Refer (f)(ii) below]	Up to 31st March, 2016 [Refer (f)(i) below]	Written down value as at 31st March, 2016	Written down value as at 31st March, 2015
Estate and Development	99529.29	-	334.30	1340.72	98522.87	2056.41	-	149.94	(272.97)	-	-	2479.32	96043.55	97472.88
Land														
- Freehold [Refer (b) below]	4312.32	-	-	-	4312.32	-	-	-	-	-	-	-	4312.32	4312.32
- Leasehold	329.00	-	11.02	0.61	339.41	21.35	-	10.83	-	-	-	32.18	307.23	307.65
Buildings	79089.76	-	5602.04	312.93	84378.87	32830.83	-	3234.75	99.65	-	-	35965.93	48412.94	46258.93
Plant and Equipment	65462.55	-	5904.23	1163.14	70203.64	35835.65	-	3310.86	707.33	-	-	38439.18	31764.46	29626.90
Furniture and Fixtures	2246.47	-	144.91	18.44	2372.94	1446.93	-	189.67	17.49	-	-	1619.11	753.83	799.54
Vehicles	7893.59	-	455.64	368.61	7980.62	4807.91	-	731.42	312.53	-	-	5226.80	2753.82	3085.68
Office Equipment	806.29	-	592	38.09	774.12	684.17	-	35.87	36.82	-	-	683.22	90.90	122.12
Computer	907.19	-	52.28	26.13	933.34	709.63	-	85.53	24.94	-	-	770.22	163.12	197.56
<b>31st March, 2016</b>	<b>260576.46</b>	<b>-</b>	<b>12570.34</b>	<b>3268.67</b>	<b>269818.13</b>	<b>78392.88</b>	<b>-</b>	<b>7748.87</b>	<b>925.79</b>	<b>-</b>	<b>-</b>	<b>85215.96</b>	<b>184602.17</b>	<b>182183.58</b>
<b>31st March, 2015</b>	<b>243569.38</b>	<b>3866.55</b>	<b>16593.58</b>	<b>3453.05</b>	<b>260576.46</b>	<b>62065.84</b>	<b>2603.82</b>	<b>7895.70</b>	<b>1576.42</b>	<b>7953.94</b>	<b>550.00</b>	<b>78392.88</b>	<b>182183.58</b>	

a) Includes Capital Subsidy in respect of following Tangible Fixed Assets

- Plant and Equipment - Rs. 81.65 lakhs (31.03.2015 - Rs. 16.13 lakhs)

b) Represents cost of proportionate share of undivided land pertaining to certain portion of a multistoried building

c) Pursuant to the Schemes of Arrangement/Amalgamation effected in earlier years, certain assets (Estate and Development, Buildings, Plant and Equipment, and Furniture and Fixtures) were taken over at revalued amount and incorporated in the books of account.

d) Includes foreign exchange adjustment of Rs. 2449.04 lakhs (31.03.2015 - Rs.980.71 lakhs)

e) Includes foreign exchange adjustment of Rs. 330.51 lakhs (31.03.2015 - Rs. 850.86 lakhs)

f) (i) The opening and closing balance of Depreciation includes an Impairment Loss as set out below:-

	Impairment Loss as at	
	31st March 2016	31st March 2015
Estate and Development	Rs. Lakhs	Rs. Lakhs
	456.95	456.95
Buildings	49.14	49.14
Plant and Equipment	13.91	13.91
	<b>520.00</b>	<b>520.00</b>

(ii) During the year 2014-15, reduction in accumulated impairment loss has been given effect in respect of Estate and Development Rs. 399.23 lakhs, Building Rs. 117.52 lakhs and Plant and Equipment Rs.33.25 lakhs aggregating Rs.550.00 lakhs in the nature of reversal of impairment loss by adopting discounted cash flow method [based on value in use considering the discounting factor at 14.00 % in the current estimate and at 8.50 % in the previous estimate] upon improvement in profitability of Bhatpara Tea Estate. Out of this, Rs. 142.64 lakhs was added to Revaluation Reserve and Rs. 407.36 lakhs was subtracted from depreciation for the year 2014-15.

g) Represents the written-down values of those fixed assets whose useful lives have already expired.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 12 INTANGIBLE FIXED ASSETS

Rs. in Lakhs

Particulars	GROSS BLOCK AT COST				AMORTISATION				NET BLOCK			
	As at 31st March, 2015	Added on Consolidation	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March, 2016	Up to 31st March, 2015	Added on Consolidation	For the year	On disposal/ adjustments during the year	Up to 31st March, 2016	Written down value as at 31st March, 2016	Written down value as at 31st March, 2015
Intangible Assets												
Goodwill	20.44	-	-	-	20.44	20.44	-	-	-	20.44	-	-
Goodwill on Consolidation	30837.03	-	-	(415.20)	31252.23	-	-	-	-	-	31252.23	30837.03
Trade Mark [Brand] [Refer (a) below]	6075.86	-	-	(31.90)	6107.76	3046.65	-	307.38	(12.36)	3366.39	2741.37	3029.21
Computer Software [Refer (b) below]	788.02	-	87.56	1.14	874.44	317.81	-	163.37	0.13	481.05	393.39	470.21
<b>31st March, 2016</b>	<b>37721.35</b>	<b>-</b>	<b>87.56</b>	<b>(445.96)</b>	<b>38254.87</b>	<b>3384.90</b>	<b>-</b>	<b>470.75</b>	<b>(12.23)</b>	<b>3867.88</b>	<b>34386.99</b>	<b>34336.45</b>
<b>31st March, 2015</b>	<b>28710.39</b>	<b>9997.73</b>	<b>95.80</b>	<b>1082.57</b>	<b>37721.35</b>	<b>2962.16</b>	<b>-</b>	<b>460.95</b>	<b>38.21</b>	<b>3384.90</b>	<b>34336.45</b>	

a) The above comprise :

- Trade mark (Brand - WM logo) of Rs. 5000.00 lakhs (31.03.15 - Rs. 5000.00 lakhs) acquired by the Parent Company which is being amortised under straight line method over a working life of 20 years on prudent basis based on valuation by independent valuer, considering the factors like effective life/utility, and
  - Other Trade Marks of Rs. 1075.86 lakhs (31.03.15 - Rs. 1161.67 lakhs) acquired by a subsidiary, which are being amortised over the expected economic lives of 5 to 20 years.
- b) Computer Software is being amortised under straight line method over 5 years.
- c) Includes foreign exchange adjustment of Rs. (445.96) lakhs (31.03.15 - Rs. 1082.57 lakhs).
- d) Includes foreign exchange adjustment of Rs. (12.23) lakhs (31.03.15 - Rs. 38.21 lakh).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 13 NON - CURRENT INVESTMENTS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
(valued at cost unless stated otherwise)		
(In Equity Shares of Rs 10 each fully paid and at cost, except otherwise stated)		
<b>Long Term</b>		
<b>TRADE</b>		
<b>Investments in Equity Instruments - Associates</b>		
<b>Unquoted</b>		
D1 Williamson Magor Bio Fuel Limited [Refer (b) below]		
7281201 Shares (31.03.2015 - 7281201 Shares)	34.35	94.35
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 541.89 lakhs (31.03.2015 - Rs. 509.04 lakhs)]		
<b>Investments in Equity Instruments - Others</b>		
<b>Quoted</b>		
Murablack India Limited		
500000 Shares (31.03.2015 - 500000 Shares)	*	*
McNally Bharat Engineering Co. Limited		
3052295 Shares (31.03.2015 - 3052295 Shares)	131.25	131.25
Williamson Financial Services Limited		
1666853 Shares (31.03.2015 - 1666853 Shares)	464.22	519.33
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 55.11 lakhs (31.03.2015 - Rs. Nil)]		
Eveready Industries India Limited		
1663289 Shares of Rs. 5/- each (31.03.2015 - 1663289 Shares)	169.66	169.66
Kilburn Engineering Limited		
848168 Shares (31.03.2015 - 848168 Shares)	36.05	36.05
The Standard Batteries Limited		
1003820 Shares of Re. 1/- each (31.03.2015 - 1003820 Shares)	*	*
Kilburn Chemicals Limited		
350200 Shares (31.03.2015 - 350200 Shares)	14.04	14.04
Kilburn Office Automation Limited		
31340 Shares (31.03.2015 - 31340 Shares)	0.99	1.27
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 0.28 lakhs (31.03.2015 - Rs. Nil)]		
<b>Unquoted</b>		
Babcock Borsig Limited		
1299600 Shares (31.03.2015 - 1299600 Shares)	76.51	201.31
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 606.83 lakhs (31.03.2015 - Rs. 482.03 lakhs)]		

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 13 NON - CURRENT INVESTMENTS (CONTD.)

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Dewrance Macneill & Co. Limited		
200000 Shares (31.03.2015 - 200000 Shares)	*	*
Kilburn Electricals Limited		
28000 Shares (31.03.2015 - 28000 Shares)	*	*
Cosepa Fiscal Industries Limited		
350000 Shares (31.03.2015 - 350000 Shares)	*	*
Delhi Golf & County Club Private Limited		
35750 Shares of Rs.100/- each (31.03.2015 - 35750 Shares)	*	*
ABC Tea Workers Welfare Services Limited		
11067 Shares (31.03.2015 - 11067 Shares)	0.71	0.71
<b>OTHER THAN TRADE</b>		
<b>Investments in Equity Instruments - Others</b>		
<b>Quoted</b>		
Suryachakra Seafood Limited		
400000 Shares (31.03.2015 - 400000 Shares)	*	*
<b>Unquoted</b>		
Jalpaiguri Club Limited		
523 Shares (31.03.2015 - 523 Shares)	-	-
Indonilpur Marketing Pvt. Ltd.		
12500 Shares (31.03.2015 - 12500 Shares)		
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1.25 lakhs (31.03.2015 - Rs. 1.25 lakhs)]		
Nilhat Shipping Company Limited		
1000 Shares (31.03.2015 - 1000 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 0.10 lakhs (31.03.2015 - Rs. 0.10 lakhs)]		
Woodlands Multispeciality Hospital Limited		
229610 Shares (31.03.2015 - 229610 Shares)	22.36	22.36
<b>Investments in preference shares</b>		
<b>Unquoted</b>		
Thakurbari Club Limited		
56 Preference Shares of Rs.100 each (31.03.2015 - 56 Preference Shares)	*	*
CFL Capital Financial Services Ltd. -		
1154790 13% Redeemable Cumulative Preference Shares of Rs.100 each (31.03.2015 - 1154790 Preference Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1160.56 lakhs (31.03.2015 - Rs. 1160.56 lakhs)]		
	<b>950.14</b>	<b>1190.33</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 13 NON - CURRENT INVESTMENTS (CONTD.)

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
* Amount is below the rounding off norm adopted by the Company.		
(a) Aggregate amount of quoted investments	871.60	871.60
Aggregate market value of quoted investments	7345.69	8060.51
Aggregate amount of unquoted investments	2444.56	2471.71
Aggregate provision for diminution in value of investments	2366.02	2152.98
(b) Investment in D1 Williamson Magor Bio Fuel Limited (Associate Company)		
[Refer Note 29(b)]		
Shares in Net Assets on Acquisition	1610.01	1610.01
Add : Goodwill arising on Acquisition	574.35	574.35
Cost of Investment	2184.36	2184.36
Less : Group's share in accumulated loss:		
As per last account	1580.97	1498.38
Loss for the year	27.15	82.59
	576.24	603.39
Less : Provision for diminution	541.89	509.04
	<b>34.35</b>	<b>94.35</b>

## 14 LONG-TERM LOANS AND ADVANCES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
(Unsecured - considered good unless otherwise stated)		
Capital Advances		
Considered Good	777.34	1345.84
Considered Doubtful	34.96	37.45
Less: Allowance for Doubtful Capital Advances	(34.96)	(37.45)
Security Deposits	1712.73	1585.66
Deposits with National Bank for Agriculture and Rural Development	4408.59	7082.09
Other Loans and Advances		
MAT Credit Entitlement	3646.36	3924.08
Prepaid Expenses	825.36	1012.28
Advances to Suppliers, Service Providers etc.	1217.20	1217.20
Less : Provision for Bad and Doubtful Advances	(1217.20)	(1217.20)
Loans to Others	850.00	850.00
Less : Provision for Bad and Doubtful Loans	(850.00)	(850.00)
Loans to Employees	13.41	80.89
	<b>11383.79</b>	<b>15030.84</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 15 OTHER NON-CURRENT ASSETS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Book value of Investments held through Trust - 2,70,67,500 (31.03.15 - 2,70,67,500) Equity Shares of Rs. 5/- each in the Parent Company pursuant to a Scheme of Arrangement and a Scheme of Amalgamation given effect to in earlier years	892.79	892.79
Margin Money Deposit with bank (a)	14.70	14.70
Other Long Term Receivable		
From Sale of Tea Estates	180.82	180.82
Receivables from Tea Growers	366.51	370.48
Interest accrued on Loans and Deposits	1316.26	2284.22
Less : Provision for Bad and Doubtful Accrued Interest	(1316.26)	(2284.22)
	<b>1454.82</b>	<b>1458.79</b>

(a) For issuing Bank Guarantee

## 16 INVENTORIES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
At lower of cost and net realisable value		
Finished Goods (Stock of Tea)	14135.18	14546.95
[including in transit Rs. 1234.98 lakhs (31.03.2015 - Rs.362.81 lakhs)]		
Stores and spares	10845.02	11314.76
[including in transit Rs. 39.39 lakhs (31.03.2015 - Rs.Nil)]		
	<b>24980.20</b>	<b>25861.71</b>

## 17 TRADE RECEIVABLES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Debts outstanding for a period exceeding six months from the date they are due for payment -		
Secured		
- Considered Good	350.00	350.00
Unsecured		
- Considered Good	155.79	10.31
- Considered Doubtful	340.90	340.90
Less: Provision for Doubtful Debts	(340.90)	(340.90)
Other Debts		
Unsecured		
- Considered Good	10503.79	8404.47
	<b>11009.58</b>	<b>8764.78</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 18 CASH AND BANK BALANCES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>Cash and Cash Equivalents</b>		
Cash on hand	401.85	251.64
Remittance in Transit	24.76	11.00
Balance with banks in Current Accounts	3786.15	3693.02
Dividend Accounts *	396.61	386.15
Escrow Accounts/Fractional Share Sale Proceeds Account	0.17	0.18
	<b>4609.54</b>	<b>4341.99</b>

\* Earmarked for payment of unclaimed dividend

- (a) Margin Money Deposit kept with bank for issuing guarantee in favour of Third party has been disclosed under Other Non-Current Assets (Refer Note 15)

## 19 SHORT-TERM LOANS AND ADVANCES

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
(Unsecured - considered good unless otherwise stated) -		
Loans to Related Parties		
- Subsidiary	-	0.62
Loans to Others		
Considered Good	21823.22	4108.00
Considered Doubtful	248.00	248.00
Less: Provision for bad and Doubtful Loans	(248.00)	(248.00)
Deposits with National Bank for Agriculture and Rural Development	7500.00	7500.00
Other Loans and Advances		
MAT Credit Entitlement	-	616.05
Advance Tax - Agricultural Income Tax (Net of Provision)	6955.10	5432.01
Advance Tax- Fringe Benefit Tax (Net of Provision)	307.76	307.76
Prepaid Expenses	746.44	782.43
Balance with Excise Authorities	62.93	47.05
Advances for Employee Benefits	2960.72	2055.41
Advances to Employees	728.41	689.55
Advances to Suppliers, Service Providers etc.		
Considered Good	3238.72	2501.53
Considered Doubtful	103.77	103.77
Less: Provision for bad and Doubtful Advances	(103.77)	(103.77)
Loans to Employees		
Considered Good	212.26	311.43
Considered Doubtful	9.56	9.56
Less: Provision for bad and Doubtful Loans	(9.56)	(9.56)
Deposit with Government Authorities	139.29	150.07
Claims Receivable	446.04	454.27
Tax payment under protest (Refer Note 36)	700.00	700.00
	<b>45820.89</b>	<b>25656.18</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 20 OTHER CURRENT ASSETS

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
(Unsecured - considered good unless otherwise stated)		
Interest Accrued on Loans and Deposits		
Considered Good	6376.53	1243.48
Considered Doubtful	173.35	173.35
Less: Provision for Doubtful Interest Receivable	(173.35)	(173.35)
Subsidies receivable from Government	1567.72	1535.01
Compensation receivable from Government	70.79	44.11
Accrued duty exemption benefits pertaining to exports	911.53	907.19
	<b>8926.57</b>	<b>3729.79</b>

## 21 REVENUE FROM OPERATIONS

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sale of Product - Tea		190014.42		162529.24
Other Operating Revenues				
Consultancy Fees	406.45		152.55	
Subsidy on Orthodox Tea	82.23		72.68	
Replantation Subsidy	489.10		181.84	
Transport Subsidy	317.99		166.51	
Accrued duty exemption entitlement and other Benefits relating to exports / premium on sale thereof	1322.06		1492.65	
		2617.83		2066.23
		<b>192632.25</b>		<b>164595.47</b>

## 22 OTHER INCOME

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Interest Income (Gross)				
On Deposits	903.24		1131.62	
On Loans	6190.07	7093.31	2569.14	3700.76
Dividend on Long Term Trade Investments		180.90		120.71
Insurance Claims		368.95		162.91
Sundry Income		334.79		353.91
Provision for bad and doubtful accrued interest no longer required written back		967.96		-
Liabilities no longer required written back		70.35		13.35
Net Gain on Foreign Currency Transaction and Translation		-		119.02
		<b>9016.26</b>		<b>4470.66</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 23 COST OF MATERIALS CONSUMED

	Year Ended	Year Ended
	31st March 2016	31st March 2015
Green Leaf (purchased and consumed)	32949.57	30770.46
	<b>32949.57</b>	<b>30770.46</b>

## 24 CHANGES IN INVENTORIES OF FINISHED GOODS

	Year Ended	Year Ended
	31st March 2016	31st March 2015
Stock of Tea at the beginning of the year (a)	14549.03	9934.05
Less: Stock of Tea at the end of the year	14135.18	14546.95
(Increase)/Decrease	<b>413.85</b>	<b>(4612.90)</b>

(a) Includes adjustment relating to exchange difference etc. Net of Rs. (2.08) lakhs [31.03.15 - Rs. (298.32 lakhs)]

## 25 EMPLOYEE BENEFITS EXPENSE

	Year Ended	Year Ended
	31st March 2016	31st March 2015
Salaries and Wages	60827.46	51121.21
Contribution to Provident and Other Funds	7199.03	5768.94
Labour and Staff Welfare	7359.38	6588.31
	<b>75385.87</b>	<b>63478.46</b>

## 26 FINANCE COSTS

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Interest Expense				
On Fixed Loans	3679.68		1974.48	
Others	6849.33	10529.01	4936.41	6910.89
Other Borrowing Costs		452.36		279.15
		<b>10981.37</b>		<b>7190.04</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 27 DEPRECIATION AND AMORTISATION

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Depreciation on Tangible Fixed Assets	7748.87		7895.70	
Less : Withdrawn on account of Depreciation on amount added on Revaluation of Tangible Fixed Assets	-		(274.34)	
Less : Reversal of Impairment Loss	-	7748.87	(407.36)	7214.00
Amortisation of Intangible Fixed Assets		470.75		460.95
		<b>8219.62</b>		<b>7674.95</b>

In view of withdrawal of Guidance Note on treatment of Reserve created on Revaluation of Fixed Assets by the Institute of Chartered Accountants of India, additional charge of depreciation on amount added on revaluation, hitherto adjusted against Revaluation reserve, wherever available is recognised as charge to the Profit and Loss Statement resulting in depreciation expense for the year ended 31st March, 2016 being higher and profit before tax lower by Rs. 265.67 lakhs.

## 28 OTHER EXPENSES

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Consumption of Stores and Spare Parts		9027.63		9053.67
Consumption of Packing Materials		1867.90		1622.74
Power and Fuel		21612.65		20882.80
Rent		117.46		102.87
Lease Rent		107.96		94.28
Repairs - Buildings		1487.28		1888.56
- Machinery		4025.46		3924.19
- Others		1376.84		1658.15
Insurance		953.38		856.03
Rates and Taxes [including wealth Tax Rs. Nil (2014-2015 - Rs 28.00 Lakhs)]		543.78		482.95
Cess on Tea		436.37		410.56
Green Leaf Cess		1000.55		959.54
Travelling		1453.55		1609.92
Loss (net) on disposal of Fixed Assets		0.01		78.04
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 48)		26.90		-
Legal and Professional Fees		1725.99		1550.71
Freight, Shipping and Selling Expenses		10206.11		9029.90
Brokerage on Sales		734.83		836.03
Selling Agents' Commission		739.64		725.38
Bad Debts written off		-		4.12
Investments written off		-		0.02
Security Deposit written off		-	26.25	
Less : Adjusted from provisions		-	(26.25)	-
Provision for Doubtful Loans		-		9.56

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Net Loss on Foreign Currency Transaction and Translation		856.49		1254.73
Provision for mark-to-market losses on derivatives		732.97		-
Miscellaneous Expenses		4422.67		4475.89
		<b>63456.42</b>		<b>61510.64</b>

29. (a) The Consolidated Financial Statements for the year comprise the financial statements of the Parent Company and its subsidiary companies as detailed below:-

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31st March		Reporting Date
		2016	2015	
<b>Subsidiaries</b>				
i) Borelli Tea Holdings Limited (BTHL)	United Kingdom	100%	100%	31st March
ii) Phu Ben Tea Company Limited (Phu Ben)	Vietnam	100%	100%	31st December
iii) Rwenzori Tea Investments Limited (RTIL)	Uganda	100%	100%	31st December
iv) McLeod Russel Uganda Limited (MRUL)	Uganda	100%	100%	31st December
v) Gisovu Tea Company Limited (GTCL)	Rwanda	60%	60%	31st December
vi) McLeod Russel Middle East DMCC (MRME)	United Arab Emirates	100%	100%	31st December
vii) McLeod Russel Africa Limited (MRAL)	Kenya	100%	100%	31st December
viii) Pfunda Tea Company Limited (PTCL)	Rwanda	90%	90%	31st December

- (b) The Consolidated Financial Statements also include the Group's interest in the following Associate Companies accounted for under equity method based on their financial statements:

Associate	Country of Incorporation	Proportion of ownership interest	
		As at 31st March, 2016	As at 31st March, 2015
D1 Williamson Magor Bio Fuel Limited	India	34.30%	34.30%

## 30. Schemes of Amalgamation/Scheme of Arrangement given effect to in earlier years

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes, such assets and liabilities remain included in the books of the Parent Company under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

## 31. Employee Benefits :

### I. Post Employment Defined Contribution Plans:

During the year an amount of Rs. 5940.97 lakhs (31st March 2015 - Rs. 5033.95 lakhs) has been recognised as expenditure towards Defined Contribution plans of the Parent Company.

### II. Post Employment Defined Benefit Plans:

#### (a) Gratuity (Funded)

The Parent Company's gratuity scheme, a Defined Benefit plan, covers the eligible employees and

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 10.00 lakhs. Vesting occurs upon completion of five years of service.

**(b) Superannuation (Funded)**

The Parent Company's Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies /trustees themselves. Benefits under these plans had been frozen in earlier years with regard to salary levels then prevailing. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

**(c) Staff Pension – Type A (Funded)**

The Parent Company's Staff Pension Scheme – Type A, a Defined Benefit plan, is administered through a trust fund and covers certain categories of employees. Investments of the fund are managed by Life Insurance Corporation of India. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon

retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

**(d) Staff Pension – Type B (Unfunded)**

The Parent Company's Staff Pension Scheme – Type B, a Defined Benefit Plan, covers certain categories of employees. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

**(e) Medical Insurance Premium Re-imbursment (Unfunded)**

The Parent Company has a scheme of re-imbursment of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit. The company has introduced a scheme of re-imbursment of medical expenses to a certain category of employees up to a certain monetary limit. The scheme is in the nature of Defined Benefit plan.

**(f) Expatriate Pension (Unfunded)**

The Parent Company has an informal practice of paying pension to certain categories of retired expatriate employees and in certain cases to their surviving spouses. The scheme is in the nature of Defined Benefit plan.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The following Tables sets forth the particulars in respect of aforesaid Defined Benefit plans of the Parent Company for the year ended 31st March, 2016 and corresponding figures for the previous year.

Description	Rs. Lakhs	
	Gratuity Fund	
	Funded	
	2015-2016	2014-2015
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	13166.11	12227.65
Interest Cost	982.98	919.78
Current Service Cost	1246.88	1216.63
Past Service Cost	-	-
Benefits Paid	(1757.60)	(1460.86)
Actuarial loss/(gain) on obligation	(350.38)	262.91
Present Value of obligation at the end of the year	13287.99	13166.11
<b>Changes in the fair value of plan assets during the year ended 31st March</b>		
Fair Value of Plan Assets at the beginning of the year	14217.72	13094.08
Expected Return on Plan Assets	1137.40	1047.53
Contributions	1757.60	810.25
Benefits Paid	(1757.60)	(1460.86)
Actuarial gain/(loss) on Plan Assets	(248.81)	726.72
Fair Value of Plan Assets at the end of the year	15106.31	14217.72
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	13287.99	13166.11
Fair Value of Plan Assets at end of the year	15106.31	14217.72
Net Asset/(Liability) Recognised in Balance Sheet	1818.32	1051.61
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	1246.88	1216.63
Past Service Cost	-	-
Interest Cost	982.98	919.78
Expected Return on Plan Assets	(1137.40)	(1047.53)
Actuarial loss/(gain) recognised in the year	(101.57)	(463.81)
Expense Recognised in Profit and Loss Statement	@ 990.89	@ 625.07
@ included in Contribution to Provident and Other Funds (Note 25)		
<b>Category of Plan Assets</b>		
Investments in Bonds and Special Deposit	31.20	31.13
Investments with Life Insurance Corporation of India	2492.81	2289.43
Investments with other Insurance Companies	12514.22	11730.63
Others including Bank Balances	68.08	166.53
<b>Total</b>	<b>15106.31</b>	<b>14217.72</b>
Actual Return on Plan Assets	888.59	1774.25
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00
Inflation Rate (%)	5.00	5.00
Return on Asset (%)	8.00	8.00

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Description	Superannuation Fund	
	Funded	
	2015-2016	2014-2015
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	1558.19	1692.51
Interest Cost	120.31	129.56
Current Service Cost	-	-
Benefits Paid	(108.73)	(146.01)
Actuarial loss/(gain) on obligation	(106.29)	(117.87)
Present Value of obligation at the end of the year	1463.48	1558.19
<b>Changes in the fair value of plan assets during the year ended 31st March</b>		
Fair Value of Plan Assets at the beginning of the year	2555.41	2405.63
Expected Return on Plan Assets	204.43	192.45
Contributions	3.80	3.82
Benefits Paid	(108.73)	(146.01)
Actuarial gain/(loss) on Plan Assets	(54.38)	99.52
Fair Value of Plan Assets at the end of the year	2600.53	2555.41
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	1463.48	1558.19
Fair Value of Plan Assets at end of the year	2600.53	2555.41
Net Asset/(Liability) Recognised in Balance Sheet	1137.05	997.22
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	-	-
Interest Cost	120.31	129.56
Expected Return on Plan Assets	(204.43)	(192.45)
Actuarial loss/(gain) recognised in the year	(51.91)	(217.39)
Expense Recognised in Profit and Loss Statement	@(136.03)	@(280.28)
@ Included in Contribution to Provident and other Funds (Note 25)		
<b>Category of Plan Assets</b>		
Investments in Bonds and Special Deposit	38.32	38.33
Investments with Life Insurance Corporation of India	154.50	169.09
Investments with other Insurance Companies	2397.16	2338.36
Others including Bank Balances	10.55	9.63
Total	2600.53	2555.41
Actual Return on Plan Assets	150.05	291.97
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00
Return on Asset (%)	8.00	8.00

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description	Rs. Lakhs	
	<b>Staff Pension Fund Type A</b>	
	<b>Funded</b>	
	<b>2015-2016</b>	<b>2014-2015</b>
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	432.25	403.31
Interest Cost	31.18	32.25
Current Service Cost	72.32	68.06
Benefits Paid	(84.91)	(0.26)
Actuarial loss/(gain) on obligation	(30.69)	(71.11)
Present Value of obligation at the end of the year	420.15	432.25
<b>Changes in the fair value of plan assets during the year ended 31st March</b>		
Fair Value of Plan Assets at the beginning of the year	114.21	104.78
Expected Return on Plan Assets	9.16	8.38
Contributions	-	0.26
Benefits Paid	(84.91)	(0.26)
Actuarial gain/(loss) on Plan Assets	(1.72)	1.05
Fair Value of Plan Assets at the end of the year	36.74	114.21
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	420.15	432.25
Fair Value of Plan Assets at end of the year	36.74	114.21
Net Asset/(Liability) Recognised in Balance Sheet	(383.41)	(318.04)
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	72.32	68.06
Interest Cost	31.18	32.25
Expected Return on Plan Assets	(9.16)	(8.38)
Actuarial loss/(gain) recognised in the year	(28.97)	(72.16)
Expense Recognised in Profit and Loss Statement	@ 65.37	@ 19.77
@ Included in Contribution to Provident and Other Funds (Note 25)		
<b>Category of Plan Assets</b>		
Investments with Life Insurance Corporation of India	36.74	114.21
<b>Total</b>	<b>36.74</b>	<b>114.21</b>
Actual Return on Plan Assets	7.44	9.43
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00
Inflation Rate (%)	5.00	5.00
Return on Asset (%)	8.00	8.00

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Description	Staff Pension Type B	
	Unfunded	
	2015-2016	2014-2015
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	3550.47	3318.27
Interest Cost	276.56	258.83
Current Service Cost	789.51	634.72
Benefits Paid	(186.85)	(165.75)
Actuarial loss/(gain) on obligation	(731.18)	(495.60)
Present Value of obligation at the end of the year	3698.51	3550.47
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	3698.51	3550.47
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(3698.51)	(3550.47)
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	789.51	634.72
Interest Cost	276.56	258.83
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	(731.18)	(495.60)
Expense Recognised in Profit and Loss Statement	# 334.89	# 397.95
# included in Salaries and Wages (Note 25)		
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00
Inflation Rate (%)	5.00	5.00

Rs. Lakhs

Description	Medical Benefit Liability	
	Unfunded	
	2015-2016	2014-2015
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	428.55	430.50
Interest Cost	34.28	34.44
Current Service Cost	-	-
Benefits Paid	(31.12)	(26.74)
Actuarial loss/(gain) on obligation	0.08	(9.65)
Present Value of obligation at the end of the year	431.79	428.55
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	431.79	428.55
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(431.79)	(428.55)
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	-	-
Interest Cost	34.28	34.44
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	0.08	(9.65)
Expense Recognised in Profit and Loss Statement	* 34.36	* 24.79
* included in Labour and Staff Welfare (Note 25) and Insurance (Note 28)		
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description	Rs. Lakhs	
	<b>Expatriate Pension</b>	
	<b>Unfunded</b>	
	<b>2015-2016</b>	<b>2014-2015</b>
<b>Changes in present value of defined benefit obligation during the year ended 31st March</b>		
Present value of obligation at the beginning of the year	31.93	34.78
Interest Cost	1.29	1.43
Current Service Cost	-	-
Benefits Paid	(31.63)	(33.83)
Actuarial loss/(gain) on obligation	29.00	29.55
Present Value of obligation at the end of the year	30.59	31.93
<b>Amount recognised in Balance Sheet</b>		
Present Value of obligation at the end of the year	30.59	31.93
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(30.59)	(31.93)
<b>Expense Recognised in Profit and Loss Statement</b>		
Current Service Cost	-	-
Interest Cost	1.29	1.43
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	29.00	29.55
Expense Recognised in Profit and Loss Statement	# 30.29	# 30.98
# included in Salaries and Wages (Note 25)		
<b>Principal Actuarial Assumptions</b>		
Discount Rate (%)	8.00	8.00

The estimates of rate of inflation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment sphere.

Plan assets represent investment in various categories. The return on amounts invested with LIC is declared annually by them. Return on amounts invested with Insurance Companies, other than LIC, is mostly by way of Net Asset Value declared on units purchased, with some schemes declaring returns annually. Investment in Bonds and Special Deposit carry a fixed rate of interest.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.

Effect of increase/ decrease of one percent point in the assumed medical cost trend rates on:

	Rs. Lakhs			
	<b>Year Ended 31st March 2016</b>		<b>Year Ended 31st March 2015</b>	
	Increase	Decrease	Increase	Decrease
Aggregate of Current Service Cost and Interest	30.20	29.60	34.44	34.44
Accumulated Post Employment Benefit obligation for Medical Cost	437.76	429.09	432.84	424.27

Company's best estimate of contribution expected to be paid to the Funds in the next year

	<b>As on 31st March</b>	
	<b>2016</b>	<b>2015</b>
Gratuity Fund	1953.90	864.15
Superannuation Fund	4.14	4.03
Staff Pension Fund	0.28	0.28

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Other Particulars	As on 31st March				
	2016	2015	2014	2013	2012
<b>Gratuity Fund (Funded)</b>					
Defined Benefit Obligation	13287.99	13166.11	12227.65	11757.12	10574.50
Plan Assets	15106.31	14217.72	13094.08	12031.58	10920.69
Surplus/(Deficit)	1818.32	1051.61	866.43	274.46	346.19
Experience Adjustments on Plan Liabilities	243.38	(28.76)	784.62	535.36	939.06
Experience Adjustments on Plan Assets	(248.81)	726.72	110.76	231.30	(52.88)
<b>Superannuation Fund (Funded)</b>					
Defined Benefit Obligation	1463.48	1558.19	1692.51	1849.76	1910.35
Plan Assets	2600.53	2555.41	2405.63	2365.74	2297.83
Surplus/(Deficit)	1137.05	997.22	713.12	515.98	387.48
Experience Adjustments on Plan Liabilities	(104.63)	(39.61)	(47.78)	(63.34)	(36.74)
Experience Adjustments on Plan Assets	(54.38)	99.52	81.18	49.85	(16.44)
<b>Staff Pension Fund Type A (Funded)</b>					
Defined Benefit Obligation	420.15	432.25	403.31	436.91	396.96
Plan Assets	36.74	114.21	104.78	98.16	90.76
Surplus/(Deficit)	(383.41)	(318.04)	(298.53)	(338.75)	(306.20)
Experience Adjustments on Plan Liabilities	(69.12)	(133.76)	(39.77)	(108.33)	(30.19)
Experience Adjustments on Plan Assets	(1.72)	1.05	(1.72)	0.14	(1.18)
<b>Staff Pension Fund Type B (Unfunded)</b>					
Defined Benefit Obligation	3698.51	3550.47	3318.27	3077.57	2803.16
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	(341.69)	(207.39)	(79.25)	(164.59)	(69.00)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA
<b>Medical Benefit Liability (Unfunded)</b>					
Defined Benefit Obligation	431.79	428.55	430.50	419.65	326.50
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	(9.72)	2.33	92.01	64.13	(14.55)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA
<b>Expatriate Pension (Unfunded)</b>					
Defined Benefit Obligation	30.59	31.93	34.78	38.98	42.65
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	28.30	27.52	30.78	25.88	28.80
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA

NA : Not Applicable

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**(g) Provident Fund:**

Contributions towards provident funds are recognised as expense for the year. The Parent Company has set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the Parent Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Parent Company.

In terms of the Guidance on implementing Accounting Standard 15 (Revised 2005) on Employee Benefits issued by

the Accounting Standard Board of The Institute of Chartered Accountants of India (ICA), a provident fund set up by the Parent Company is defined benefit plan in view of the Parent Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Project Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the balance sheet date. Further during the year, the Parent Company's contribution of Rs. 332.10 lakhs (31st March 2015 – Rs. 386.59 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds'. Disclosures given hereunder are restricted to the information available as per the Actuary's report.

	2015-2016	2014-2015
<b>Principal Actuarial Assumptions</b>		
Discount Rate	7.76%	7.66%
Expected Return on Exempted Fund	8.92%	8.89%
Expected EPFO Return	8.80%	8.75%

**(h) Gratuity Plan (Unfunded) in respect of MRUL, a subsidiary company:**

MRUL's terms and conditions of employment provide for a gratuity to Ugandan nationals employed by the company. The gratuity is payable after completion of five years' service upon resignation, retirement or termination and on condition that the employee leaves honourably. The gratuity is calculated at twenty working days per year of service for employees with five to ten years service and thirty working days per year of service for those with more than ten years service. The provision takes account of service rendered by employees up to the balance sheet date and is based on actuarial valuation.

**(i) Gratuity Plan (Unfunded) in respect of MRME, a subsidiary company:**

Provision is made for end-of-service gratuity payable to the staff at the balance sheet date in accordance with United Arab Emirates labour law.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## (j) Classification of Provision/Advance for Employee Benefits

	Classified as Non-Current As at 31st March		Classified as Current As at 31st March	
	2016	2015	2016	2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits				
- Staff Pension	2128.16	2550.27	1953.76	1318.23
- Medical Benefit	357.71	365.93	74.08	62.63
- Expatriate Pension	24.82	27.97	5.77	3.97
- Other Employee Benefits	478.40	418.16	197.13	182.73
	<b>2989.09</b>	<b>3362.33</b>	<b>2230.74</b>	<b>1567.56</b>
Advance for Employee Benefits				
- Gratuity Fund	-	-	1818.32	1051.61
- Super	-	-	1137.05	997.22
- Others	-	-	5.35	6.58
	-	-	<b>2960.72</b>	<b>2055.41</b>

32.

## Contingent Liabilities

### a) Claims against the Company not acknowledged as debts: -

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
Electricity Dues :	91.62	169.87
Income Tax :	97.88	1851.21
Service Tax :	131.61	131.61
Disputed Labour Claims :	30.95	32.00
Duty on Tea stock :	16.78	21.18
Excise Duty :	10.75	10.75
Land Revenue :	62.53	2.09
Others :	38.84	40.35

b) **Bank Guarantees** – Rs. 158.01 lakhs (31st March 2015 - Rs. 123.96 lakhs)

c) **Bills Discounted** – Rs. 1719.04 lakhs (31st March 2015– Rs. 1203.58 lakhs)

It is not practicable for the company to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the same.

The company does not expect any reimbursement in respect of the above contingent liabilities.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 33. Commitments

- Estimated Capital Commitment on account of contracts remaining to be executed and not provided for at the year-end is Rs. 1690.15 lakhs (31st March 2015 - Rs. 3392.61 lakhs). Such commitment, net of advances, is Rs. 757.94 lakhs (31st March 2015 – Rs. 1052.08 lakhs).
- The Parent Company has undertaken to continue to directly hold 100% (31st March 2015 – 100%) of the shares in the share capital of Borelli Tea Holdings Limited (BTHL) in connection with the Senior Term Loan facility of EURO 6.00 million (31st March 2015 – EURO 6.00 million) obtained by BTHL from ICICI Bank UK PLC, Frankfurt.
- In connection with a Term Loan of Rs.5000.00 lakhs (31st March 2015 – Rs. 5000.00 lakhs) taken by McNally Bharat Engineering Company Limited (MBECL) from one of its Bankers, the Parent Company has furnished a Non-Disposal Undertaking in respect of its present and future holding of shares in MBECL to remain valid so long as any monies remain due by MBECL in respect of the said loan to the said bank.

## 34. SEGMENT INFORMATION

The Group is primarily engaged in the business of cultivation, manufacture and sale of tea across various geographical locations with different political and economic environment, risks and returns etc, and accordingly geographical segments has been considered by the Group as primary reporting format.

The geographical segments have been identified as India, Vietnam, Uganda and Rwanda.

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>Segment Revenue</b>		
India	150431.12	138713.66
Vietnam	9035.95	5153.41
Uganda	17613.05	15674.79
Rwanda	9946.75	3463.91
Other	5605.38	1589.70
<b>Total</b>	<b>192632.25</b>	<b>164595.47</b>
<b>Segment Results (Profit before Interest and Tax)</b>		
India	4105.54	7284.35
Vietnam	(1107.85)	(671.01)
Uganda	3913.11	(508.26)
Rwanda	3934.03	865.42
Other	1063.50	150.54
<b>Total</b>	<b>11908.33</b>	<b>7121.04</b>
Less : Finance Cost [Net of Interest Income Rs. 7093.31 lakhs (31.03.2015 – Rs. 3700.76 lakhs)]	3888.06	3489.28
Exceptional Items	213.04	56.27
Unallocable	1543.56	1104.14
<b>Profit before Taxation, share of Earnings from Associates and Minority Interest</b>	<b>6263.67</b>	<b>2471.35</b>
Less : Taxation Charge		
Current Tax	2288.29	912.53
Deferred Tax - Charge/(Credit)	(484.08)	(1845.36)
<b>Profit after Taxation but before share of Earning from Associates and Minority Interest</b>	<b>4459.46</b>	<b>3404.18</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	31st March 2016	31st March 2015
	Rs. Lakhs	Rs. Lakhs
<b>Segment Assets</b>		
India	205995.87	199139.20
Vietnam	13354.03	14029.73
Uganda	17301.06	16486.42
Rwanda	8768.79	10027.46
Other	3484.67	3468.45
	<b>248904.42</b>	<b>243151.26</b>
Unallocable	86441.88	65704.88
	<b>335346.30</b>	<b>308856.14</b>
<b>Segment Liabilities</b>		
India	81049.36	76876.86
Vietnam	1113.16	858.90
Uganda	1775.03	1569.79
Rwanda	583.09	891.56
Other	511.14	1425.39
	<b>85031.78</b>	<b>81622.50</b>
Unallocable *	94588.10	71521.65
	<b>179619.88</b>	<b>153144.15</b>
* Excluding Shareholders' Funds (other than Revaluation Reserve) and Minority Interest		
<b>Capital Expenditure relating to Segments</b>		
India	10831.83	11861.75
Vietnam	328.14	3106.39
Uganda	1005.44	1098.06
Rwanda	763.09	1658.74
Other non-reportable	16.84	7.77
	<b>12945.34</b>	<b>17732.71</b>
<b>Depreciation and Amortisation relating to Segments</b>		
India	* 6065.64	* 6026.95
Vietnam	526.10	433.78
Uganda	872.32	855.60
Rwanda	681.40	280.06
Other	74.16	78.56
	<b>8219.62</b>	<b>7674.95</b>
* Net of Reversal of Impairment Loss – Rs. Nil (31.03.2015 – Rs. 407.36 Lakhs)		
<b>Significant non-cash expenses other than Depreciation and Amortisation relating to Segments</b>		
	-	-
The Group does not have any Secondary Segment		

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 35. Information given in accordance with the requirement of Accounting Standard 18 on Related Party Disclosures prescribed under the Act :-

### a) List of Related Parties

- |      |  |                                |
|------|--|--------------------------------|
| i.   | Key Management Personnel (of the Parent Company)   |                                |
|      | Managing Director  | Mr. Aditya Khaitan (AK)        |
|      | Wholetime Directors  | Mr. Rajeev Takru (RT)          |
|      |  | Mr. Azam Monem (AM)            |
|      |  | Mr. Kamal Kishore Baheti (KKB) |
| ii.  | Relatives of Key Management Personnel with whom transactions took place during the year. |                                |
|      | Mr. Brij Mohan Khaitan (BMK)   | Father of Mr. Aditya Khaitan   |
|      | Mrs. Shanti Khaitan (SK)   | Mother of Mr. Aditya Khaitan   |
|      | (died on 25th February, 2016)  |                                |
|      | Mrs. Kavita Khaitan (KK)   | Wife of Mr. Aditya Khaitan     |
|      | Mr. Deepak Khaitan (DK)  | Brother of Mr. Aditya Khaitan  |
|      | (died on 9th March, 2015)  |                                |
|      | Mrs. Zubeena Monem (ZM)  | Wife of Mr. Azam Monem         |
| iii. | Others :   |                                |
|      | - Associate :  |                                |
|      | D1 Williamson Magor Bio Fuel Limited (D1)  |                                |

### b) Transactions / Balances with Key Management Personnel

	Rs. Lakhs							
	Remuneration				Dividend paid		Amount Recoverable at year end	
	2015-16	Excess Recoverable(*)	Net	2014-15	2015-16	2014-15	2015-16	2014-15
AK	496.89	103.58	393.31	482.18	0.22	0.51	103.58	-
RT	197.47	8.02	189.45	194.57	0.03	0.06	8.02	-
AM	198.00	14.29	183.71	199.73	0.02	0.04	14.29	-
KKB	196.80	12.27	184.53	196.90	0.15	0.36	12.27	-
<b>Total</b>	<b>1089.16</b>	<b>138.16</b>	<b>951.00</b>	<b>1073.38</b>	<b>0.42</b>	<b>0.97</b>	<b>138.16</b>	<b>-</b>

The above remuneration of Managing Director (AK) and Whole time directors (RT, AM, KKB) is in accordance with the Shareholders' approval obtained at the Sixteenth AGM of the Company held on 23rd July, 2014 together with special resolution passed by way of Postal Ballot on 1st October, 2015.

However, due to inadequacy of profit of the Company during the year 2015-16, the above remuneration has exceeded the limit prescribed under Section 197 of the Companies Act, 2013 in anticipation of which the Company has applied to the Central Government seeking its approval to the above remuneration.

(\*) In view of inadequacy of profit in year 2014-15, the Department of Company Affairs (Govt. Of India) has passed an order to recover above amounts.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## c) Transactions / Balances with relatives of Key Management Personnel

	As at Year ended 31st March 2016	As at Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Directors' Sitting Fees		
BMK	1.40	1.00
DK	-	0.80
Dividend Paid		
BMK	1.09	2.54
DK's Estate/Successor	0.35	0.83
Others	0.08	-

## d) Transactions / Balances with Associates

Name of the Associate	Nature of Transactions/Balances	As at Year ended 31st March 2016	As at Year ended 31st March 2015
		Rs. Lakhs	Rs. Lakhs
D1	Balance of Investments at the year end [Net of provision for diminution in value of investments Rs. 2150.00 lakhs (31.03.2015 – Rs. 2090.00 lakhs)]	34.35	94.35

36. In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs.5278 lakhs during the year 2009-10 on the Parent Company on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Parent Company challenged the said demand before the appropriate authorities and the matter is pending. Further, the Parent Company has obtained a stay against the said demand from the Hon'ble High Court of Calcutta. The Parent Company deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest (Refer Note 19). In any event, as per the related Share Purchase Agreement, Capital Gain tax or other tax, if any, relating to sale of shares etc. is to be borne by the seller and not the Parent Company.

## 37. EARNINGS PER EQUITY SHARE :

	Year ended 31st March 2016	Year ended 31st March 2015
a) Numerator used:		
Profit after Taxation and Minority Interest (Rs. Lakhs)	3729.85	3117.37
b) Denominator used		
Weighted Average Number of Equity Shares	10,94,55,735	10,94,55,735
c) Face Value of Equity Shares - Rs.	5	5
d) Dilutive Potential Equity Shares	-	-
e) Earnings per Share [Basic and Diluted] – Rs.	3.41	2.85

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 38.** Revenue Expenditure on Research and Development Rs. 137.97 lakhs (31st March 2015 - Rs. 140.11 lakhs) represent subscription to Tea Research Association.
- 39.** There are no outstanding dues of Micro and Small Enterprises (MSEs) based on information available with the Parent Company.
- 40.** Adjustment on account of dividend represents:  
Dividend paid during the year 2015-16 by the Parent Company on Equity Share held by its subsidiary Rs. 812.03 lakhs (2014-15 – Rs. 1894.73 lakhs).
- 41. Lease Commitments:**  
During the year 2012-13, a tea-manufacturing factory has been taken on non-cancellable operating lease by parent company for the period from 1st January 2013 to 31st December 2017.

Following amount has been charged in the Consolidated Profit and Loss Statement on account of lease rental:

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Lease Rent	107.96	94.28
The future minimum lease commitment of the Group is as under :		
Not later than one year	75.00	98.83
Later than one year and not later than five years	56.25	227.12
Later than five years	-	570.58

- 42.** Following items, to the extent indicated, have been measured and recognised on the basis of different accounting policies applied by certain subsidiary companies, as set out in Note 1 above, as compared to those applied by the Parent Company. It is not practicable to use uniform accounting policies in preparing the consolidated financial statements. Had the accounting policies of the Parent Company being applied, the impact thereof on the expenditure for the year and year-end carrying amounts of assets / liabilities is not ascertainable at this stage.

	Rs. Lakhs	Rs. Lakhs
Income and Expenditure	Year ended 31st March 2016	Year ended 31st March 2015
Depreciation / Amortisation	2153.97	1648.00

	Rs. Lakhs	Rs. Lakhs
Assets and Liabilities	As at 31st March 2016	As at 31st March 2015
Inventories	4548.26	5368.12
Accumulated Depreciation	19743.20	17988.86
Provision for Employee Benefit		
- Long term	14.02	9.38
- Short term	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

43. D1, an Associate, applies accounting policies relating to the following items which are different from those followed by the Parent Company:

(a) Depreciation is provided by D1 on written down value method as against straight line method.

It is not considered practicable to quantify the impact of differences for making appropriate adjustments in the financial statements of the aforesaid Associate for the purpose of consolidation.

## 44. Exceptional Item comprises

	Year ended 31st March 2016	Year ended 31st March 2015
	Rs. Lakhs	Rs. Lakhs
Provision/(Write back) for diminution in carrying amount of long term Investments in :		
An associate	32.85	7.41
Body Corporates	180.19	48.86
	<b>213.04</b>	<b>56.27</b>

## 45. Derivative Investments and Unhedged Foreign Currency Exposure

a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Currency	As at 31st March, 2016		As at 31st March, 2015	
			Amount in Foreign Currency	Amount in Rs. Lakhs	Amount in Foreign Currency	Amount in Rs. Lakhs
Forward contracts on past performance	Hedging of foreign currency receivables	USD	27600000.00	18287.76	20094089.78	12560.82
Currency and Interest Rate Swap	Hedging of floating interest rate	USD	14117647.06	9354.35	-	-

b) Particulars of unhedged foreign currency exposures as at the reporting date:-

Particulars	Purpose	Currency	As at 31st March, 2016		As at 31st March, 2015	
			Amount in Foreign Currency	Amount in Rs. Lakhs	Amount in Foreign Currency	Amount in Rs. Lakhs
Trade/ Other Receivables		USD	4891274.70	3240.96	185000	115.64
Capital Advances		USD	171457.00	113.61	-	-

	2015-16	2014-15
	Rs. Lakhs	Rs. Lakhs
c) <b>Mark-to-Market Losses Provided for</b>	732.97	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 46. Current Tax

	Year ended	Year ended
	31st March 2016	31st March 2015
Provision for Current Tax for the year	2785.45	1662.54
MAT Credit Entitlement	-	(355.73)
MAT Credit Written off	616.05	544.21
Excess provisions of earlier years written back		
- Current Tax	(1225.99)	(588.54)
- Fringe Benefit Tax	-	(349.95)
Provision made for earlier years	112.78	-
	<b>2288.29</b>	<b>912.53</b>

## 47. Statement Containing Financial Information of Subsidiary & Associate:

Sl. No.	Name of the Entity	Net Assets				Share in profit or loss			
		As a % consolidated net assets		Amount (Rs. in lakhs)		As a % consolidated profit or loss		Amount (Rs. in lakhs)	
		31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
1.	McLeod Russel India Limited	85.89	85.96	179914.64	179768.75	33.27	163.73	1240.89	5103.98
2.	Borelli Tea Holdings Limited & its Subsidiaries	15.75	15.95	32994.06	33364.04	86.29	(54.53)	3218.57	(1699.80)
3.	D1 Williamson Magor Bio Fuel Limited	(0.77)	(0.76)	(1608.12)	(1580.97)	(0.73)	(2.65)	(27.15)	(82.59)
	<b>Total</b>	<b>100.87</b>	<b>101.15</b>	<b>211300.58</b>	<b>211551.82</b>	<b>118.83</b>	<b>106.55</b>	<b>4432.31</b>	<b>3321.59</b>
Less:	Minority Interest	0.87	(1.15)	(1817.25)	2405.07	(18.83)	(6.55)	702.46	204.22
	<b>Consolidated Net Assets/Profit after tax</b>	<b>100.00</b>	<b>100.00</b>	<b>209483.33</b>	<b>209146.75</b>	<b>100.00</b>	<b>100.00</b>	<b>3729.85</b>	<b>3117.37</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 48. Corporate Social Responsibility Expenditure

- (a) Gross amount required to be spent by the company during the year : Rs. 366.19 lakhs  
 (b) Amount spent during the year on :

Sr. No	CSR project or activity identified	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	408.29	-	408.29
(ii)	On purposes other than (i) above	26.90	-	26.90

## 49. Previous year figures have been reclassified to conform to this year's classification.

Signatures to Notes 1 to 49.

For **PRICE WATERHOUSE**  
 Firm Registration Number: 301112E  
 Chartered Accountants

On behalf of the Board of Directors

**Prabal Kr. Sarkar**  
 Partner  
 Membership Number 52340  
 Kolkata, 30th May 2016

**A. Khaitan**  
 Managing Director

**K. K. Baheti**  
 Wholetime Director & CFO

**A. Guha Sarkar**  
 Company Secretary

**Form AOC-I**  
Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
**Part "A": Subsidiaries**

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary Company	Borelli Tea Holdings Limited	Phu Ben Tea Company Limited	Rwenzori Tea Investments Limited	McLeod Russel Uganda Limited	Gisovu Tea Company Limited	McLeod Russel Africa Limited	Pfunda Tea Company Limited	McLeod Russel Middle East DMCC
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March	31st December	31st December	31st December	31st December	31st December	31st December	31st December
Reporting currency	British Pound (GBP)	Vietnamese Dong (VND)	Uganda Shilling (Ushs)	Uganda Shilling (Ushs)	Rwandan Franc (RWF)	Kenyan Shilling (Kshs)	Rwandan Franc (RWF)	US Dollar (USD)
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	95.15000	0.00301	0.01986	0.01986	0.09001	0.66362	0.09001	66.07639
Share capital	344.44	5,629.16	6,801.59	8,266.15	1,911.15	0.66	0.90	36.01
Reserves & surplus	25,725.85	(3,272.68)	1,193.05	7,399.37	1,695.65	(86.43)	3,746.23	(367.30)
Total assets	49,620.76	13,367.38	7,994.64	18,991.94	4,697.29	1,770.76	4,775.35	1,028.56
Total Liabilities (including Shareholders' Fund)	49,620.76	13,367.38	7,994.64	18,991.94	4,697.29	1,770.76	4,775.35	1,028.56
Investments	37,408.00	-	7,994.64	-	-	-	-	-
Turnover	1,225.00	9,446.50	18,027.18	5,164.65	3,438.52	4,735.89	2,646.92	93.35
Profit before taxation	2,549.13	(2,033.08)	3,149.52	155.25	566.22	15.33	517.69	-
Provision for taxation	455.28	-	2,994.27	1,412.27	36.09	1,292.56	93.35	-
Profit after taxation	2,093.85	(2,033.08)	1,707.61	720.07	-	450.04	-	-
Dividend (Interim/Proposed and provided in Accounts)	#	-	100%	100%	60%	100%	90%	100%
% of shareholding	100%	100%	100%	100%	60%	100%	90%	100%

# The Board of Directors of Borelli Tea Holdings Ltd. has recommended a dividend of GBP 1.5 per share. However, as per Accounting Standards in U.K., provision for the same has not been made in their books of accounts.

**Notes :**

- Names of Subsidiaries which are yet to commence operations - Nil.
- Names of Subsidiaries which have been liquidated or sold during the year - Nil.

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associate</b>	<b>D1 Williamson Magor Bio Fuel Ltd</b>
1. Latest audited Balance Sheet Date	31st Mar 16
2. Shares of Associate held by the Company on the year end:	
No.	7281201
Amount of Investment in Associates (Rs. in lakhs)	2184.36
Extend of Holding %	34.30%
3. Description of how there is significant influence	Because of Shareholding
4. Reason why the associate is not consolidated	Financial Statements are consolidated
5. Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakhs)	198.04
6. Loss for the year (Rs. in lakhs)	79.18
i. Considered in Consolidation (Rs. in lakhs)	27.15
ii. Not Considered in Consolidation (Rs. in lakhs)	52.03

**Notes:**

- Names of Associates or Joint Ventures which are yet to commence operations - Nil.
- Names of Associates or Joint Ventures which have been liquidated or sold during the year - Nil.

For and on behalf of the Board of Directors

Place: Kolkata, 30th May 2016

**A. Khaitan**  
Managing Director**K. K. Baheti**  
Wholetime Director & CFO**A. Guha Sarkar**  
Company Secretary

# PARTICULARS OF TEA ESTATES

Locations	Estates	Area under Tea (Hectare)	Saleable Production for 2015-16 (Kgs.)
Mangaldai	Bhooteachang	563.65	1756778
	Dimakusi	437.25	1878268
	Attareekhat	534.01	2608464
	Borengajuli	631.77	2149726
	Corramore	479.93	1614934
	Paneery	414.15	1057649
Thakurbari	Addabarie	673.39	1404854
	Tarajulie	478.58	929646
	Tezpur & Gogra	511.81	1449856
	Harchurah	447.30	1455826
	Phulbari	840.29	2132702
Bishnauth	Rupajuli	352.44	834791
	Dekorai	869.14	2262086
	Mijicajan	957.75	2029335
	Pertabghur	800.43	1783223
East Boro	Monabarie	1112.67	2565070
	Behali	575.76	2087009
	Dufflaghur	679.28	1520515
	Halem	591.26	1740703
	Nya Gogra	646.47	1828122
	Bargang	989.54	2551097
Golaghat/Jorhat	Boro	390.56	1296677
	Bukhial	586.78	990236
	Behora	695.80	1237693
	Hunwal	894.72	2156964
Moran	Rajmai	485.10	1359447
	Dirai	679.73	2304852
	Attabarrie	382.94	1026381
	Lepetkatta	429.91	845805
	Moran	617.26	2042501
	Sepon	593.39	1621205

Locations	Estates	Area under Tea (Hectare)	Saleable Production for 2015-16 (Kgs.)
Tingri	Mahakali	575.56	1022230
	Dirial	577.42	1565298
	Itakhooli	396.26	1025664
	Keyhung	595.80	1511242
	Baghjan	580.47	1641412
Doom	Bordubi	909.63	1889177
	Koomsong	681.17	1867258
	Phillobari	405.75	1078416
Dooma	Beesakopie/ Diamukhia	1252.95	1764418
Margherita	Raidang	958.16	1657825
	Samdang	901.98	1698704
	Bogapani	834.01	2448851
	Dehing	498.73	2012511
	Dirok	789.12	2202527
Dooars	Margherita	599.80	1550774
	Namdang	740.18	1895886
	Bhatpara	604.14	987371
	Central Dooars	758.59	1253574
	Chuapara	632.58	1214286
	Jainti/Chuniajhora	606.43	1316887
	Mathura	657.28	1526712
		<b>33899.07</b>	<b>85653438</b>

Production includes tea made out of inter-estate transfer/  
purchase of green leaf.





A MEMBER OF WILLIAMSON MAGOR GROUP



**McLEOD RUSSEL**  
*Believe in tea*

## **McLEOD RUSSEL INDIA LIMITED**

Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001CIN: L51109WB1998PLC087076

Email: administrator@mcleodrussel.com, Web: www.mcleodrussel.com

Telephone: 033-2210-1221, 2248-9434/35

Fax : 033-2248-3683, 033-2248-8114, 033-2248-6824

## **NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held on Monday, 08th August 2016 at 11.00 a.m. at Kalamandir, 48, Shakespeare Sarani, Kolkata-700 017 to transact the following business :-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt :
  - a. the audited Financial Statements of the Company for the financial year ended 31st March 2016, and the Reports of the Board of Directors and the Auditors thereon .
  - b. the audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2016 and the Report of the Auditors thereon.
2. To declare a dividend for the financial year ended 31st March 2016.
3. To appoint a Director in place of Mr. B. M. Khaitan (holding DIN 00023771), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. Monem (holding DIN: 00023799), who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and if thought fit to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Messrs. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

### **SPECIAL BUSINESS:**

6. To consider and if thought fit to pass the following Resolution as **Special Resolution**:

**"RESOLVED THAT** further to the Ordinary Resolution passed by the Members of the Company at their Sixteenth Annual General Meeting held on 23rd July, 2014 according their consent to the re-appointment (including remuneration) of Mr. A. Khaitan (DIN: 00023788) as the Managing Director of the Company for a period of 3 years with effect from 1st April, 2014 and in accordance with the provisions of Sections 196, 197 and 198 and the applicable provisions of Schedule V of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act and subject to the approval of the Central Government, subject to such modification and conditions as may be prescribed by the Central Government while granting such approval, the approval of the Company be and is hereby accorded to the payment of the remuneration to Mr. A. Khaitan as approved by the Members at their Sixteenth Annual General Meeting, the details of which are given in the Statement pursuant to Section 102 of the Act attached to this Notice as minimum remuneration for the year ended 31st March 2016.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 of the Act read with the applicable provisions of Schedule V to the Act, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other statutory provisions as may be applicable and subject to the approval of the Central Government and such other approvals, if any, as may be required, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive recovery of excess remuneration amounting to Rs. 3,57,69,634 paid to Mr. A. Khaitan as the Managing Director of the Company during the Financial Year ended 31st March, 2016, or such other amount as may be approved by the Central Government, over and above the limit prescribed under the provisions of Schedule V to the Act and that subject to the approval of the Central Government,

the excess Managerial Remuneration as above paid to Mr. A. Khaitan, Managing Director, during the financial year ended 31st March, 2016 be and is hereby approved.

**FURTHER RESOLVED** that the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”

7. To consider and if though fit to pass the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 (‘the Act’) read with the applicable provisions of Schedule V to the Act , the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other statutory provisions as may be applicable and subject to the approval of the Central Government and such other approvals, if any, as may be required, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive recovery of excess remuneration amounting to Rs. 58,27,864 paid to Mr. R. Takru (DIN: 00023796) as a Wholetime Director of the Company during the Financial Year ended 31st March, 2016, which is within the limit approved by the Members by way of a Special Resolution through Postal Ballot on 1st October 2015, the details of which are given in the Statement pursuant to Section 102 of the Act attached to this Notice, but exceeds the limit prescribed under the provisions of Section 197 and Schedule V to the Act and that subject to the approval of the Central Government, the excess Managerial Remuneration as above paid to Mr. R. Takru, Wholetime Director, during the financial year ended 31st March, 2016 be and is hereby approved.

**FURTHER RESOLVED** that the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.

8. To consider and if though fit to pass the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 (‘the Act’) read with

the applicable provisions of Schedule V to the Act , the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other statutory provisions as may be applicable and subject to the approval of the Central Government and such other approvals, if any, as may be required, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive recovery of excess remuneration amounting to Rs. 58,80,411 paid to Mr. A. Monem (DIN: 00023799) as a Wholetime Director of the Company during the Financial Year ended 31st March, 2016, which is within the limit approved by the Members by way of a Special Resolution through Postal Ballot on 1st October 2015, the details of which are given in the Statement pursuant to Section 102 of the Act attached to this Notice, but exceeds the limit prescribed under the provisions of Section 197 and Schedule V to the Act and that subject to the approval of the Central Government, the excess Managerial Remuneration as above paid to Mr. A. Monem, Wholetime Director, during the financial year ended 31st March, 2016 be and is hereby approved.

**FURTHER RESOLVED** that the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”

9. To consider and if though fit to pass the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 (‘the Act’) read with the applicable provisions of Schedule V to the Act , the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other statutory provisions as may be applicable and subject to the approval of the Central Government and such other approvals, if any, as may be required, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive recovery of excess remuneration amounting to Rs. 57,61,877 paid to Mr. K. K. Baheti (DIN: 00027568) as a Wholetime Director of the Company during the Financial Year ended 31st March, 2016, which is within the limit approved by the Members by way of a Special Resolution through Postal Ballot on 1st October 2015, the details of which are given in the Statement pursuant to Section 102 of the Act attached to this Notice, but exceeds the limit prescribed under the provisions of Section 197 and Schedule V to the Act and

that subject to the approval of the Central Government, the excess Managerial Remuneration as above paid to Mr. K. K. Baheti, Wholetime Director, during the financial year ended 31st March, 2016 be and is hereby approved.

**FURTHER RESOLVED** that the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”

10. To consider and if thought fit to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors namely,

Messrs. Mani & Co, Messrs. SPK Associates, Messrs. Kumar & Associates and Messrs. DGM & Associates appointed by the Board of Directors of the Company for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2017, the details of which are given in the Statement in respect of this item of business annexed to the Notice convening this Meeting, be and is hereby ratified”.

By Order of the Board  
MCLEOD RUSSEL INDIA LIMITED

A. GUHA SARKAR  
Senior Vice - President & Company Secretary

Kolkata,  
30th May 2016

## NOTES

- a) **A Member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a Proxy to attend and vote thereat instead of himself. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001 not less than forty-eight hours before the Meeting.**

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- b) The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Items of Special Business is annexed hereto.
- c) The information as required to be provided in terms of Regulation 36(3) and 26(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ('Listing Regulation') regarding the Directors who are proposed to be re-appointed is annexed.

- d) The Register of Members and Share Transfer Books of the Company will remain closed from 28th July 2016 to 8th August 2016 (both days inclusive).
- e) The dividend that may be declared by the Company at the Eighteenth Annual General Meeting will be paid on or after 12th August 2016 (i) to those Members holding shares in physical mode whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company and its Registrars on or before 27th July 2016. (ii) In respect of the shares held in electronic form the dividend will be paid to the 'beneficial owners' of the shares as at the end of business hours on 27th July 2016 as per details provided by the Depositories for this purpose.
- f) Dividend in respect of shares held in dematerialized form shall be credited to the beneficial owner's bank account directly through National Electronic Clearing Services (NECS), wherever NECS facility is available subject to availability of bank account details with 9 digit MICR and 11 digit IFS Code. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.

In terms of Regulation 12(a) of Listing Regulation, SEBI has mandated usage of electronic mode or issue of "payable-at-

par” warrants for making cash payments such as dividend etc. to the investors of Companies whose securities are listed on the Stock Exchanges.

- g) Shareholders holding shares in physical form and desirous of having NECS facility, should provide their bank details and 9 digit MICR and 11 digit IFS Code number to the Registrar and Share Transfer Agent of the Company immediately. The shareholders who have already given their bank details should furnish the same only if there is any change.

Members who are holding shares in physical form are requested to notify change in address, if any, to the Company’s Share Transfer Agent quoting their Folio Number. Shareholders holding shares in dematerialised form, should intimate change of their address, if any, to their Depository Participant.

- h) The company has transferred the unpaid or unclaimed dividends declared up to financial years 2007-08, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 4th August 2015 (date of last Annual General Meeting) on the website of the Company ([www.mcleodrusssel.com](http://www.mcleodrusssel.com)).

The Members of the Company who have not yet encashed their dividend warrant(s) for the financial year ended 31.03.2009 and onwards as applicable, are requested to contact the Company forthwith.

- i) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata – 700 001.
- j) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

- k) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- l) A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his queries to the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.

- m) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Maheshwari Datamatics Private Limited, for consolidation into a single folio.

- n) Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

- o) **Instructions on voting:** In compliance with Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rule, 2014, as amended, and Regulation 44 of the Listing Regulation, the Company has provided a facility to the Members to exercise their votes electronically (remote e-voting) through electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting, through ballot paper, will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are given in a separate sheet attached hereto forming part of the Notice.

- p) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 1st August 2016. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and is holding shares as on the cut-off date i.e. 1st August 2016, may obtain the login ID and password by sending a request at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or [skchaubey@mdpl.in](mailto:skchaubey@mdpl.in).

- q) The Notice of the 18th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, is being sent by electronic mode to all Members whose email addresses

are registered with the Company / Depository Participant(s), unless a Member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.

- r) Members may also note that the Notice of the 18th AGM and the Annual Report 2015-16 will be available on the Company's website, [www.mcleodrussel.com](http://www.mcleodrussel.com).

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

##### **Item Nos. 6 to 9**

The Board of Directors at its Meeting held on 28th March, 2014 had re-appointed Mr. A. Khaitan as the Managing Director and Mr. R. Takru, Mr. A. Monem and Mr. K. K. Baheti as the Wholetime Directors of the Company with effect from 1st April, 2014 for a period of 3 years in each case on the basis of their satisfactory performance in their earlier term when the Company made considerable progress in terms of production, sales and profitability. The aforesaid re-appointments and the remuneration of the Managing Director and the Wholetime Directors were approved by the Members as their minimum remuneration by Ordinary Resolutions at the 16th Annual General Meeting of the Company held on 23rd July, 2014. In view of unfavourable weather conditions, increase in wages and other input costs and marginal increase in sale price, the profits earned by the Company during the year ended 31st March, 2016 became inadequate in terms of Section 197 read with Schedule V to the Companies Act, 2013 ('the Act'). In anticipation of the profit being inadequate, the Company made applications to the Central Government seeking its approval for waiver of recovery of excess remuneration paid to the Managing Director and the Wholetime Directors during the year ended 31st March, 2016. The details of remuneration at which the Managing Director and the Wholetime Directors were re-appointed are given in Annexure I forming part of this Notice.

The Company had been making consistent adequate profits upto the third quarter of the financial year 2015-16. The profit for the last quarter of the said year however was under pressure on account of increase in salaries and wages and various other input costs and marginal increase in sale price of tea on account of oversupply from other tea producing countries in the last quarter of the year. The unfavourable weather was also responsible for the lower profit. Owing to the above factors, the financial performance of the Company was not as per the expectations resulting in inadequacy of profits in the financial year 2015-16 in terms of Section 197 read with Schedule V to the Act. The

maximum remuneration that could be paid to Mr. A. Khaitan was Rs. 139.19 lakhs, if approved by Special Resolution, and Rs. 139.19 lakhs to each of Mr. R. Takru, Mr. A. Monem and Mr. K. K. Baheti as per the limits of Schedule V to the Act. The remuneration paid to Mr. Khaitan, Mr. Takru, Mr. Monem, and Mr. Baheti by the Company during the said year were Rs. 496.89 Lakhs, Rs. 197.47 Lakhs, Rs. 197.99 Lakhs and Rs. 196.81 Lakhs respectively. In view of the above and the justifications given in the Annexure II to the Statement, the Directors seek your approval for waiver of the recovery of the excess amounts paid to the Managing Director and the three Wholetime directors of the Company.

In view of the above, the Resolutions in Item Nos. 6 to 9 of the convening notice have been set out and the Board recommends the same.

Mr. Aditya Khaitan and Mr. B. M. Khaitan, being his relative may be considered to be concerned or interested in respect of Resolution No. 6. Mr. R. Takru, Mr. A. Monem and Mr. K. K. Baheti are interested in the resolutions set out at item Nos. 7, 8 and 9 respectively. Save as above, no other Director and none of the Key Managerial Personnel or their relatives may be considered to be concerned or interested, financially or otherwise, in respect of the above Resolutions.

##### **Item No. 10**

The Company being engaged in tea plantation and manufacturing activities, is required to appoint Cost Auditor/s to audit its cost accounting records in respect of plantation products in accordance with Section 148 of the Companies Act, 2013 ('the Act') read with Companies (Cost Records and Audit) Rules, 2014 as amended ('the Rule').

In terms of Section 148 of the Act read with Rule 6 of the Rule, the Board of Directors of the Company at its Meeting held on 11th May 2016 appointed Messrs Mani & Company, Messrs. SPK Associates, Messrs Kumar & Associates and Messrs DGM Associates, Cost Accountants, as Cost Auditors of the Company for the Financial Year ending on 31st March 2017 on the recommendation of the Audit Committee of the Company ('the Audit Committee'). The Board has also designated Messrs. Mani & Company as the Lead Cost Auditor for the purpose of conducting cost audit.

The Board, in terms of the Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, approved the remuneration of the Cost Auditors as recommended by the Audit Committee, which is subject to ratification by the Members of the Company.

**The remuneration fixed by the Board is as under:**

<b>Cost Auditors</b>	<b>Remuneration</b>
Messrs. Mani & Company	Rs. 96,000/- for auditing the records of 12 Tea Estates Rs. 35,000/- being the lead audit fee.
Messrs. SPK Associates	Rs. 1,04,000/- for auditing the records of 13 Tea Estates
Messrs. Kumar & Associates	Rs. 1,12,000/- for auditing the records of 14 Tea Estates
Messrs DGM Associates	Rs. 1,12,000/- for auditing the records of 14 Tea Estates

In addition to above, the Cost Auditors will be reimbursed out of pocket expenses as may be incurred by them on actual basis.

The Resolution set out in Item No. 10 of the convening Notice is to be considered accordingly and the Board recommends the same.

No Director or any Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in respect of the Resolution.

## **ANNEXURE I**

The details of remuneration at which Mr. A. Khaitan was re-appointed as the Managing Director for a period of 3 years with effect from 1st April, 2014 duly approved by the Members of the Company by Ordinary Resolution at the Sixteenth Annual General Meeting of the Company held on 23rd July, 2014 and Mr. R. Takru, Mr. A. Monem and Mr. K. K. Baheti as Wholetime Directors for a period of 3 years with effect from 1st April, 2014 duly approved by the Members of the Company by Special Resolutions passed through Postal Ballot on 1st October 2015.

Salary	: Mr. A. Khaitan - Rs. 15,00,000/- per month with such revision as the Board may approve from time to time in the salary grade of Rs. 12,50,000/- to Rs. 20,00,000/-.
	Mr. R. Takru, Mr. A. Monem and Mr. K. K. Baheti - Rs.6,00,000/- each per month with such revision as the Board may approve from time to time in the salary grade of Rs. 5,25,000/- to Rs.10,00,000/-.
Bonus	: Equivalent to six months' salary in a year.
Allowances	: Mr. A. Khaitan - A special allowance of Rs. 1,00,000/- per month with such revision as the Board may approve from time to time in the scale of Rs. 1,00,000 – Rs. 2,00,000/- per month. In addition, the Managing Director will be paid other allowance of Rs. 4,00,000/- per month with such revision as may be approved by the Board from time to time.
	Mr. R. Takru, Mr. A. Monem, and Mr. K. K. Baheti - A special allowance of Rs. 1,00,000/- per month with such revision as the Board may approve from time to time in the scale of Rs. 1,00,000 – Rs. 2,00,000/- per month.
	In addition, each Wholetime Director will be paid other allowance of Rs. 75,000/- per month with such revision as may be approved by the Board from time to time.
Perquisites Housing	: Free furnished accommodation will be provided by the Company. In case no accommodation is provided, the Managing Director and/or the concerned Wholetime Director/s as the case may be will be paid House Rent Allowance at the rate of 60% of salary. Gas, electricity, water etc. and telephone at residence will be borne by the Company in accordance with the Rules of the Company. Cost of personal long distance calls, however, will be borne by the Managing Director.

Car	: Company car with driver under the Company's Scheme applicable for senior executive staff of the Company.
Medical	: Reimbursement for self and family at actuals, including cost of medical insurance.
Leave Travel Concession	: For self and family as per applicable Rules of the Company.
Leave Encashment	: As per applicable Rules of the Company.
Club Fees	: Reimbursement of Club Fees as per applicable Rules of the Company.
Others	: Personal Accident Insurance and other perquisites, which are applicable to senior executive staff of the Company, shall also apply to the Managing Director and the Wholetime Directors.
Retiral Benefits	: Contributions to the Company's Provident Fund and Superannuation Fund and/or Annuity Fund in accordance with the Rules and Regulations governing the said funds. Gratuity will be payable in accordance with the Rules of the Company and such Gratuity shall not exceed half a month's salary for each completed year of service.
Minimum Remuneration	: In the event of loss or inadequacy of profits in any financial year during the tenure of their office, the above remuneration payable to each of Mr. A. Khaitan, Mr. R. Takru, Mr. A. Monem and Mr. K. K. Baheti respectively will be treated as their minimum remuneration subject to compliance with the legal provisions as may be applicable.

## ANNEXURE II

Statement in terms of Sub-clause (iv) of Clause (B) of Section II of Part II of Schedule V to the Companies Act, 2013.

### I. GENERAL INFORMATION

- Nature of Industry :** India is a major producer of black tea in the world. The quantity of black tea produced by India annually is in the region of 1200 million kgs out of the global black tea production of 2900 million kgs (approx.).

The Company is engaged in growing, manufacturing and selling of tea. The Company is the largest producer of black tea in India and one of the leading manufacturers of black tea globally. The Company is also a major Foreign Exchange earner in the tea industry. The Company has 48 Tea Estates with manufacturing facilities in Assam and 5 Tea Estates in Dooars, West Bengal. The Company produces around 80 million kgs of tea per year. The Company has 8 subsidiaries in U.K., Vietnam, Uganda, Rwanda, Kenya and Dubai.

- Date of commencement of Commercial production :**

The bulk tea division of Eveready Industries India Limited was transferred to and vested in the Company with effect from 1st April, 2004 pursuant to the order of The Hon'ble High Court at Calcutta approving a Scheme of Arrangement between Eveready Industries India Limited and the Company. The Scheme became effective on filing of the Court Order with the Register of Companies on 24th February, 2005. In view of the above 1st April, 2004 can be considered to be the date of commencement of commercial production.

- Financial Performance based on given Indicators :**

Particulars	(Rs. in Lkhs)		
	2013-14	2014-15	2015-16
Revenue from Operations	1,47,506.28	1,38,829.80	150678.55
Profit before tax	23,154.19	5,318.33	1473.02
Profit after tax	20,810.53	6,198.46	1457.34
Share Capital	5,472.79	5,472.79	5,472.79
Reserves & Surplus (excluding Revaluation Reserve)	1,30,264.54	1,27,411.41	126610.43

**4. Foreign Investors or Collaborations, if any :**

The Company has not entered into any foreign collaboration. As per the shareholding pattern as on 31st March, 2016, Foreign Institutional Investors (FII) held 15390701 equity shares in the Company representing 14.06% of its paid up capital.

**II. INFORMATION ABOUT THE APPOINTEE :**

**A. MR. A. KHAITAN**

**1. Background Details :**

Mr. Khaitan hails from a renowned family of industrialists, having interest in diverse business activities. Mr. Khaitan has in-depth exposure to and involvement in steering diverse business and has gained considerable experience and expertise in management, production, marketing, corporate finance and other related areas of tea industry and also in the matter of restructuring, mergers, de-mergers and acquisitions of corporate entities.

**2. Past Remuneration :**

	(Rs.)		
	2013-14	2014-15	2015-16
Salary	1,50,00,000	1,80,00,000	1,80,00,000
Perquisite	33,68,655	58,235	28,800
Commission, bonus and allowances	1,20,00,000	2,53,00,000	2,68,00,000
Others including retiral benefits	40,50,000	48,60,000	48,60,000
<b>Total</b>	<b>3,44,18,655</b>	<b>4,82,18,235</b>	<b>4,96,88,800</b>

**3. Recognition and Awards :**

Mr. Khaitan was the Chairman of The Indian Tea Association for 3 consecutive years upto 2009-10. He was a Committee Member of Indian Chamber of Commerce and was a Member of the Tea Board.

**4. Job Profile and Suitability :**

Mr. A. Khaitan is the Managing Director of the Company since 2005. Under his leadership the Company achieved substantial growth in terms of production, sales and profitability. He was instrumental in acquiring high quality Tea Plantations in Vietnam, Uganda and Rwanda, through the wholly owned subsidiary of the Company. Considering his qualification, in-depth experience in tea industry and achievements, he may be considered as the most suitable person for his position.

**5. Remuneration Proposed :**

It is proposed to continue with the same remuneration as previously approved by the Members at the Annual General Meeting held on 23rd July, 2014, the details of which have been given herein before.

**6. Comparative Remuneration Profile with respect to industry, size of the Company, Profile of the position and person :**

McLeod Russel India Limited is the largest tea producing Company in India. There is no other Company in the Country in tea industry which can be compared with McLeod Russel India Limited in terms of size and operations. The remuneration proposed is considered to be justified and competitive considering the industry, size of the Company, the responsibilities undertaken and the credentials of the Managing Director.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any :**

Except the remuneration and perquisites stated above, Mr. A. Khaitan holds 17272 equity shares of Rs. 5/- each in the Company and besides his relation with Mr. B. M. Khaitan, Chairman of the Company, he has no other direct or indirect pecuniary relationship with the Company.

**B. MR. RAJEEV TAKRU****1. Background Details :**

Mr. R. Takru has around 4 decades of rich experience in Tea plantation and manufacturing activity. He also has in-depth exposure in other administrative functions and human resource development. He has held various senior positions in a number of Companies of Williamson Magor Group. Mr. Takru is also associated with health and educational activities. He is on the Boards of Woodlands Multispecialty Hospital Limited and The Assam Valley School.

**2) Past Remuneration :**

	(Rs.)		
Particulars	2013-14	2014-15	2015-16
Salary	63,00,000	72,00,000	72,00,000
Perquisite	2,77,773	3,43,187	1,83,029
Commission, bonus and allowances	86,80,000	99,70,000	1,04,20,000
Others including retiral benefits	17,01,000	19,44,000	19,44,000
<b>Total</b>	<b>1,69,58,773</b>	<b>1,94,57,187</b>	<b>1,97,47,029</b>

**3. Job Profile and Suitability :**

Mr. R. Takru is holding the position of a Wholetime Director since 2005 and is in charge of all the plantations and tea processing factories of the Company in India, where the Company produces around 80 million kgs of black tea per year. As a Member of the management team, Mr. R. Takru was involved in acquisition of tea plantation and processing facilities in Vietnam, Uganda and Rwanda. Considering his qualifications, in-depth experience in tea plantation and manufacturing and past achievements, he may be considered as the most suitable person for his position.

**4. Remuneration Proposed :**

It is proposed to continue with the same remuneration as previously approved by the Members by Special Resolution through Postal Ballot on 1st October 2015, the details of which have been given herein before.

**5. Comparative Remuneration Profile with respect to industry, size of the Company, Profile of the position and person :**

McLeod Russel India Limited is the largest tea producing Company in India. There is no other Company in the Country in tea industry which can be compared with McLeod Russel India Limited in terms of size and operations. The remuneration proposed is considered to be justified and competitive considering the industry, size of the Company, the responsibilities undertaken and the credentials of the Wholetime Director.

**6. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any :**

Except the remuneration and perquisites stated above, Mr. R. Takru holds 900 equity shares of Rs.5/- each in the Company, besides which he has no other direct or indirect pecuniary relationship with the Company.

**C. MR. AZAM MONEM****1. Background Details :**

During the last 36 years Mr. Monem has gained rich experience in tea tasting and marketing. Mr. Monem has in-depth knowledge in Exports and Domestic Sales of Tea and achieved valuable experience as a buyer, blender and a trader.

**2. Past Remuneration :**

	(Rs.)		
Particulars	2013-14	2014-15	2015-16
Salary	63,00,000	72,00,000	72,00,000
Perquisite	1,77,491	8,59,168	2,35,576
Commission, bonus and allowances	86,80,000	99,70,000	1,04,20,000
Others including retiral benefits	17,01,000	19,44,000	19,44,000
<b>Total</b>	<b>1,68,58,491</b>	<b>1,99,73,168</b>	<b>1,97,99,576</b>

**3. Recognition and Awards :**

Mr. Monem is the Vice Chairman of Indian Tea Association ("ITA") and Chairman of ITA's Export Promotion and Marketing Sub Committee and also the former Chairman of Calcutta Tea Traders Association. Mr. Monem was a member of a number of tea delegations to various countries led by the Tea Board and Commerce Ministry.

**4. Job Profile and Suitability :**

Mr. A. Monem is holding the position of Wholetime Director for over a decade and is in charge of Sales and Marketing of around 80 million kgs of tea produced by the Company which includes domestic as well as export sales. The tea produced by the Company is exported to over 20 countries. As a member of the management team, Mr. Monem was involved in acquisition of tea plantation and processing facilities in Vietnam, Uganda and Rwanda. Considering his in-depth experience in marketing of tea and other achievements, he may be considered to be the most suitable person for his position.

**5. Remuneration Proposed :**

It is proposed to continue with the same remuneration as previously approved by the Members by Special Resolution through Postal Ballot on 1st October 2015, the details of which have been given herein before.

**6. Comparative Remuneration Profile with respect to industry, size of the Company, Profile of the position and person :**

McLeod Russel India Limited is the largest tea producing Company in India. There is no other Company in the Country in tea industry which can be compared with McLeod Russel India Limited in terms of size and operations. The remuneration proposed is considered to be justified and competitive considering the industry, size of the Company, the responsibilities undertaken and the credentials of the Wholetime Director.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any :**

Except the remuneration and perquisites stated above, Mr. A. Monem holds 500 equity shares of Rs.5/- each in the Company, besides which he has no other direct or indirect pecuniary relationship with the Company

**D. MR. K.K. BAHETI**

**1. Background Details :**

Mr. Baheti is a member of 3 major professional institutes namely, The Institute of Chartered Accountants of India, the Institute of Cost Accountants of India and The Institute of Company Secretaries of India. He has held various important positions in Accounts and Finance of a number of reputed companies. He is associated with Tea Companies belonging to Williamson Magor group since 1989 and during this period has gained considerable expertise in the matters pertaining to Accounts and Finance of Tea Companies as also in the matter of corporate finance, Capital market activities, restructuring, mergers and demergers of corporate entities.

**2. Past Remuneration :**

Particulars	(Rs.)		
	2013-14	2014-15	2015-16
Salary	63,00,000	72,00,000	72,00,000
Perquisite	1,03,447	5,75,934	1,17,042
Commission, bonus and allowances	86,80,000	99,70,000	1,04,20,000
Others including retiral benefits	17,01,000	19,44,000	19,44,000
<b>Total</b>	<b>1,67,84,447</b>	<b>1,96,89,934</b>	<b>1,96,81,042</b>

**3. Recognition and Awards :**

Mr. K. K. Baheti was awarded the Business Today- Yes Bank Best CFO Award 2013 in the 'Remarkable Leverage Management (Medium)' category.

**4. Job Profile and Suitability :**

Mr. K. K. Baheti is a Wholetime Director of the Company since 2005 and is in charge of the finance and accounts function. He has very efficiently handled the finance function in relation to acquisitions of several companies in India during the last one decade and thereby helped the Company to achieve considerable growth in terms of production and profitability. Considering his qualification, in-depth experience in tea industry and other achievements, he may be considered as the most suitable person for his position.

**5. Remuneration Proposed :**

It is proposed to continue with the same remuneration as previously approved by the Members by Special Resolution through Postal Ballot on 1st October 2015, the details of which have been given herein before.

**6. Comparative Remuneration Profile with respect to industry, size of the Company, Profile of the position and person :**

McLeod Russel India Limited is the largest tea producing Company in India. There is no other Company in the Country in tea industry which can be compared with McLeod Russel India Limited in terms of size and operations. The remuneration proposed is considered to be justified and competitive considering the industry, size of the Company, the responsibilities undertaken and the credentials of the Wholetime Director.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any :**

Except the remuneration and perquisites stated above, Mr. K. K. Baheti holds 5100 equity shares of Rs.5/- each in the Company, besides which he has no other direct or indirect pecuniary relationship with the Company

**III. OTHER INFORMATION****1. Reasons of Loss or Inadequate Profits :**

The Company is engaged in the business of tea plantation and manufacturing activities. The Company had adequate profit up to the end of the third quarter of the financial year 2015-16. The profit however subsequently was under pressure primarily on account of substantial increase in salaries and wages in terms of industry wide agreements with the workers' and employees' unions. The costs further increased on account of rise in prices of various other inputs. On the other hand, sale price increase on an average was only marginal due to oversupply from the other tea producing countries in the last quarter which impacted realisations. The profit of the Company became inadequate in terms of Section 197 read with Schedule V to the Companies Act, 2013, in respect of the year 2015-16 on account of the aforesaid reasons.

**2. Steps taken or proposed to be taken for Improvement :**

The favourable weather from November onwards of 2015 and over the winter with moderate to heavy precipitation helped to sustain the tea bushes and cropping was good in the early part of the season in 2016. After a draught like situation in the last two years, the tea estates of the Company have received good amount of rain so far in the current year. The Company is continuously investing and extending the area under irrigation to combat the drought like situations in future. The Company is exploring new markets for better price realisation. The Company has been continuously striving for quality improvement and product development for fetching better prices. With all these efforts, the Company is hopeful to achieve better results in the current as well as in the coming years.

**3. Expected Increase in Productivity and Profitability in measurable terms :**

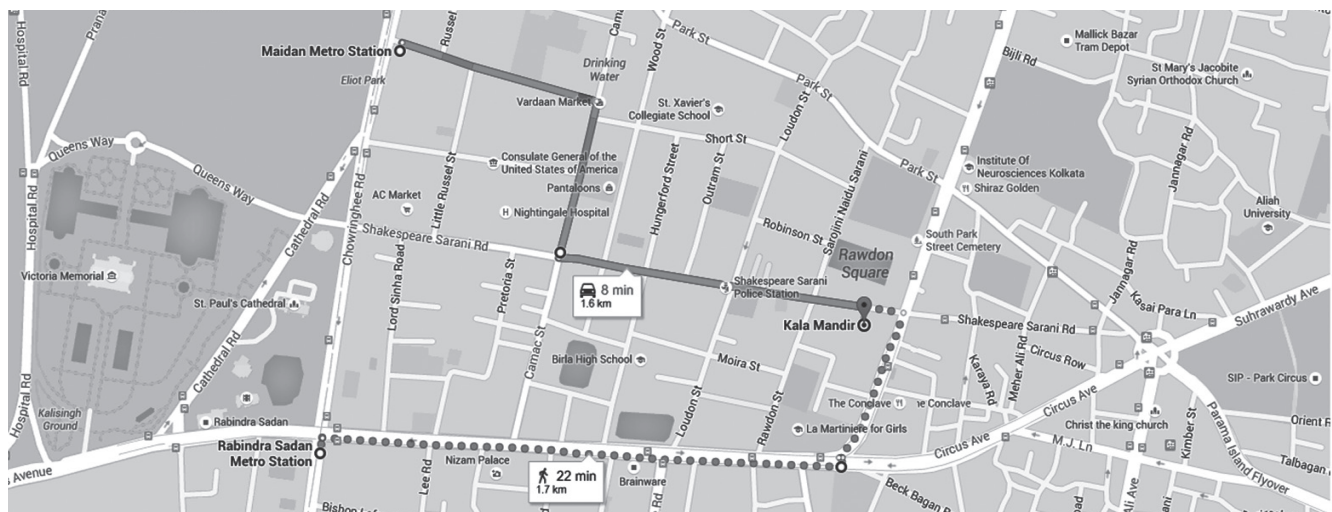
The Company being engaged in the plantation sector, it is very difficult to measure productivity and profitability beforehand. However, in view of favourable weather conditions and the various steps taken for extension in irrigation activities, growth in productivity and improvement of quality, the Company is expected to perform better in terms of production, price realization and profitability in the years to come.


**PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE RE-APPOINTED**

<b>Name of Director</b>	<b>Mr. Brij Mohan Khaitan</b>
<b>Date of Birth</b>	14th August 1927
<b>Qualification</b>	Bachelor of Commerce from Calcutta University
Mr. B.M. Khaitan is a renowned Industrialist having interest in Tea, Batteries and Engineering. Mr. Khaitan has great contributions to the Tea Industry with which he has been associated for around six decades. He is on the Boards of certain other renowned Companies having diversified business interests. Mr. Khaitan has also been associated with various leading Chambers of Commerce and Trade Associations.	
<b>Directorships held in other Companies (excluding foreign Companies)</b>	
Williamson Magor & Co. Limited	
Eveready Industries India Limited	
Jay Shree Tea & Industries Limited	
CESC Limited	
Babcock Borsig Limited	
<b>Committee Memberships, if any, with position</b>	
(1) Chairman of Remuneration Committee of Jay Shree Tea & Industries Limited and CESC Limited;	
(2) Member of Audit Committee, CSR Committee and Risk Management Committee of CESC Limited	
<b>Shareholding in the Company</b>	36,288 Equity Shares of Rs.5/- each

<b>Name of Director</b>	<b>Mr. Azam Monem</b>
<b>Date of Birth</b>	22nd November 1959
<b>Qualification</b>	B. Com. (Hons.)
<b>Expertise</b>	
During the last 36 years Mr. Monem has gained rich experience in tea tasting and marketing. Mr. Monem has in-depth knowledge in Exports and Domestic Sales of Tea and achieved valuable experience as a buyer, blender and trader. Mr. Monem is the Vice-Chairman of ITA and Chairman ITA’s Export Promotion and Marketing Sub-Committee and also the former Chairman of Calcutta Tea Traders Association. Mr. Monem was a member of a number of tea delegations to various Countries led by the Tea Board and Commerce Ministry.	
<b>Directorships held in other Companies (excluding foreign Companies)</b>	Nil
<b>Committee Memberships, if any, with position</b>	N.A.
<b>Shareholding in the Company</b>	500 Equity Shares of Rs.5/- each

**Route map to the venue of the 18th AGM of McLeod Russel India Limited**



 Kalamandir  
48, Shakespeare Sarani, Kolkata 700017

**McLeod Russel India Limited**

CIN:L51109WB1998PLC087076  
Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001  
TEL : 033-2210-1221, 2248-9434/35 FAX : 91-33-2248-3683, 2248-8114  
E-Mail: administrator@mcleodrussel.com; Website: www.mcleodrussel.com



**McLEOD RUSSEL**  
*Believe in tea*

**ATTENDANCE SLIP**  
*(To be presented at the entrance)*  
**EIGHTEENTH ANNUAL  
GENERAL MEETING**  
on Monday,  
**8th August, 2016**  
at 11.00 a.m.  
**at Kala Mandir**  
48 Shakespeare Sarani  
Kolkata - 700017

Folio No/Client ID & DP Id:

- A member/proxy wishing to attend the Meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
- If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the Meeting.
- Please bring your copy of the Annual Report to the Meeting.

I record my presence at the  
**Eighteenth Annual General Meeting**

\_\_\_\_\_  
Name of Proxy in BLOCK LETTERS  
(If the Proxy attends instead of the Member)

\_\_\_\_\_  
Signature of Member/Proxy

**Form No. MGT-11  
Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]

CIN:L51109WB1998PLC087076  
Name of the Company: **McLeod Russel India Limited**  
Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001

Name of the Member(s):  
Registered address:

E-mail Id:  
Folio No./Client Id & DP. Id:

I/We, being the Member(s) of .....shares of McLeod Russel India Limited, hereby appoint

1. Name:.....  
Address:.....  
  
E-mail Id:  
Signature:..... , or failing him/her;
2. Name:.....  
Address:.....  
  
E-mail Id:  
Signature:..... , or failing him/her;
3. Name:.....  
Address:.....  
  
E-mail Id:  
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Monday, 8th August 2016 at 11.00 a.m. at Kala Mandir Auditorium, 48 Shakespeare Sarani, Kolkata-700017 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution Nos.

1	To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended 31st March 2016 and the Reports of the Board of Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2016 and the Report of the Auditors thereon.
2	Declaration of dividend for the Financial Year ended 31st March 2016.
3	Appointment of a Director in place of Mr. Brij Mohan Khaitan (holding DIN:00023771), who retires by rotation and being eligible, offers himself for re-appointment.
4	Appointment of a Director in place of Mr. Azam Monem (holding DIN:00023799), who retires by rotation and being eligible, offers himself for re-appointment.
5	Appointment of Messrs. Price Waterhouse, Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.
6	Special Resolution for approval of payment of remuneration for 2015-16 and waiver of recovery of excess remuneration paid to Mr. Aditya Khaitan (DIN:00023788) as the Managing Director of the Company during the year ended 31st March 2016.
7	Special Resolution for waiver of recovery of excess remuneration paid to Mr. R. Takru (DIN:00023796) as a Wholetime Director of the Company during the year ended 31st March 2016.
8	Special Resolution for waiver of recovery of excess remuneration paid to Mr. A. Monem (DIN:00023799) as a Wholetime Director of the Company during the year ended 31st March 2016.
9	Special Resolution for waiver of recovery of excess remuneration paid to Mr. K. K. Baheti (DIN:00027568) as a Wholetime Director of the Company during the year ended 31st March 2016.
10	Ratification of remuneration payable to the Cost Auditors for the year ending 31st March 2017 in terms of Section 148 of the Companies Act, 2013.

Signed this.....day of .....2016.

Signature of Shareholder(s).....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Eighteenth Annual General Meeting.

**McLEOD RUSSEL INDIA LIMITED**

Corporate Identity Number (CIN):L51109WB1998PLC087076

Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700001.

TEL : 033-2210-1221, 2248-9434/35 FAX : 91-33-2248-3683, 2248-8114

E-Mail: administrator@mcleodrussel.com; Website: www.mcleodrussel.com

**Folio No./DP. Id./Client Id:**

Name:

Address:

Joint Holder(s):

No. of shares held:

**Dear Member,****Sub: Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, McLeod Russel India Limited ("MRIL" or "the Company") is offering e-voting facility to its Members in respect of the businesses to be transacted at the Eighteenth Annual General Meeting scheduled to be held on Monday, 8th August 2016 at 11:00 a.m.

The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities. The e-voting particulars are set out below:

**ELECTRONIC VOTING PARTICULARS**

<b>EVSN (E-voting Sequence Number)</b>	<b>USER ID (16 Digit Demat Account/Folio No. of Members holding shares in physical mode)</b>	<b>PERMANENT ACCOUNT NUMBER (PAN) (Original PAN / as per point no. 1 - (vii) of e-voting Instruction)</b>
<b>160613005</b>		

The e-voting facility will be available during the following voting period:

Commencement of e-voting : From 10.00 a.m. (IST) on 4th August 2016

End of e-voting : Up to 5.00 p.m. (IST) on 7th August 2016

Please read the instructions printed overleaf before exercising the vote. This Communication forms an integral part of the Notice dated 30th May 2016 for the Eighteenth Annual General Meeting scheduled to be held on Monday, 8th August 2016. A copy of the said Notice is sent herewith. Attention is invited to the statement on the accompanying Notice that the businesses of the Meeting may be transacted through electronic voting system and that the Company is providing facility for voting by electronic means.

The Notice of the Annual General Meeting and this Communication are also available on the website of the Company at [www.mcleodrussel.com](http://www.mcleodrussel.com)

Kolkata  
30th May 2016

Yours faithfully,  
**McLeod Russel India Limited**  
**A.Guha Sarkar**  
**Senior Vice President & Company Secretary**

**Annexure A****The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 4th August 2016 from 10:00 a.m. (IST) and ends on 7th August 2016 up to 5:00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 1st August 2016 i.e. the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

P.T.O.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digits alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. – Sequence Number is communicated in the Attendance Slip.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank Details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <McLeod Russel India Limited> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).